CONSOLIDATED HALLMARK INSURANCE PLC
AND SUBSIDIARY COMPANIES

COMPANY RC:168762

INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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Report of the Audit Committee

REPORT OF THE STATUTORY AUDIT COMMITTEE TO THE MEMBERS OF CONSOLIDATED HALLMARK INSURANCE PLC FOR THE PERIOD ENDED 30 SEPTEMBER 2022.

In accordance with the provision of section 404(7) of the Companies and Allied Matters Act 2020, we the Members of the Statutory Audit Committee of Consolidated Hallmark Insurance Plc, having carried out our statutory functions under the Act, hereby report as follows:

1. We confirm that we have reviewed the Audit Plan and scope and the Management letter on the audit of the account of the Company and the responses to the said letter.
2. In our opinion, the plan and scope of the audit for the year ended 30 September, 2022 are adequate. We have reviewed the Auditor's findings and we are satisfied with the Management responses thereon.
3. The accounting and reporting policies of the Company conformed to statutory requirements and agreed ethical practices.
4. The internal control was being constantly and effectively monitored.
5. The Committee reviewed the internal audit programmes and report for the year and is satisfied with the status.
6. Finally, we acknowledge and appreciate the co-operation of Management and Staff in the conduct of these duties.

Dr. Tony Anonyai
Chairman of the Audit Committee
FRC/2013/ICAN/00000002579
Dated 29 October 2022

MEMBERS OF THE AUDIT COMMITTEE

Dr. Tony Anonyai	Shareholders' Representative	Chairman
Chief Simon Okiotorhoro	Shareholders' Representative	Member
Chief James Emadoye	Shareholders' Representative	Member
Mrs. Bola Odukale	Non-Executive Director	Member
Mr. Shuaibu Idris mni	Independent Non-Executive Director	Member

The Company Secretary/Legal Adviser acted as the Secretary to the Committee

General Information;

The Group
The group comprises of Consolidated Hallmark Insurance Plc (the company) and its subsidiaries - CHI Capital Limited, Hallmark Health Services Limited, CHI Microinsurance Limited and Grand Treasurers Limited. CHI Capital Limited has one wholly owned subsidiary 'CHI Support Services Limited'.

Company Information:
Consolidated Hallmark Insurance Plc (formerly Consolidated Risk Insurers Plc) was incorporated on 2 August 1991 and domiciled in Nigeria. The address of the company registered office is 266 Ikorodu road Lagos (formerly plot 33d Bishop Aboyade Cole Street, Victoria Island, Lagos).

The Company changed its name from Consolidated Risk Insurers Plc to Consolidated Hallmark Insurance Plc following its merger with Hallmark Assurance Plc and The Nigerian General Insurance Company Limited in line with the consolidation reform of the National Insurance Commission (NAICOM) announced in 2005. Consolidated Hallmark Insurance Plc came into effect from 1 March 2007.

These consolidated and separate financial statements have been authorized for issue by the Board of Directors on **29 October, 2022**.

Principal Activities
Consolidated Hallmark Insurance Plc is a General Business and Special Risks Insurance underwriting firm fully capitalized in line with statutory requirements of the industry regulatory body – National Insurance Commission. The company underwrites Aviation, Oil and Gas, Marine Cargo and Hull and other non – life insurance underwriting including Motor, Fire and Special Perils, Goods-in-transit, Engineering Insurance and General Accident insurance businesses.

The Company identifies prompt claims payment as a means to achieving customer satisfaction and therefore emphasizes prompt claims payment in its operations. The company also invests its available funds in interest bearing and highly liquid instruments to generate adequate returns to meet its claims obligations.

The Company is a public limited company incorporated and domiciled in Nigeria. Its shares are listed on the floor of the Nigerian Stock Exchange and have its registered office at Consolidated Hallmark House, 266, Ikorodu Road, Lagos.

Going concern assessment
These consolidated financial statements have been prepared on a going concern basis. The group has neither intention nor need to reduce substantially its business operations. The management believes that the going concern assumption is appropriate for the group and there are no going concern threats to the operations of the group.

Subsidiaries;

CHI Microinsurance Limited
CHI Microinsurance Limited is a fully owned subsidiary of Consolidated Hallmark Insurance Plc, incorporated in 2016 and Licensed by NAICOM to provide Life microinsurance services. Microinsurance is a financial arrangement to protect low-income people against specific perils in exchange for regular premium payment proportionate to the likelihood and cost of risk involved.

CHI Capital Limited
CHI Capital Limited is a fully owned subsidiary of Consolidated Hallmark Insurance Plc. It carries on the business of consumer leasing and corporate support services. CHI Capital Limited incorporated CHI Support Services Limited in 2014 with 100% shareholdings.

Grand Treasurers Limited
Grand Treasurers Limited was an indirect subsidiary of Consolidated Hallmark Insurance up to November 2019 before the Board of CHI Capital limited transferred her holding 100% to the Parent (Consolidated Hallmark Insurance Plc).

Grand Treasurers Limited is now a direct subsidiary of the Consolidated Hallmark Insurance Plc. The business of the company is consumer lending, lease financing and other finance company business.

CHI Support Services Limited is a company incorporated under the Companies and Allied Matters Act CAP C20 LFN 2004, as a limited liability company in 2014. CHI Support Services ltd started as an autotrack business but has now focused on providing corporate support services for the Group. CHI Support Services was incorporated in Nigeria.

Hallmark Health Services Ltd
Hallmark Health Services Ltd is a fully owned subsidiary of Consolidated Hallmark Insurance Plc. Incorporated in 2017. It is envisioned to be a leading health insurance company to meet the need for quality health maintenance services providing affordable and lasting health care plan for all Nigerians. Hallmark Health Services Ltd. Is fully accredited by the National Health Insurance Service as a National HMO.

Impact of Covid 19 on Financial Statement

Following the outbreak of COVID-19 pandemic, the Group instituted various measures to preserve the health and well-being of its employees, clients and communities while minimizing the impact of the pandemic on its Businesses in all the jurisdiction where it operates. The Group activated its Business Continuity Plans and came up with various initiatives to prevent business disruptions while ensuring adequate customer service delivery. Some of the measures adopted include internal awareness campaigns, enforcement of health and safety precautions, wearing of face masks, minimization of physical access to office premises, restriction of access to buildings to non-essential visitors, enforcement of social distancing protocols and virtual working approach to reduce exposure and replacement of face-to-face meeting meetings with video conferences or online meetings. The Group also came up with palliative measures to ease the difficulty encountered by obligors in identified vulnerable segments and partnered with Government on initiatives aimed at alleviating suffering brought by COVID-19.

The containment measures implemented against the COVID-19 pandemic such as lockdowns, travel restrictions, closure of non-essential businesses and skeletal service operations impacted economic activities during the year. The Federal Government and the CBN introduced palliatives to alleviate the sufferings of poor masses and minimize the impact of the pandemic on the economy.

In accordance with the Group's Business Continuity Plans, the IT unit provided Virtual Private Network (VPN) access to staff from different remote locations without compromising security. This enabled us to achieve flexible work arrangements and alternate team split with some of our staff working from their respective homes. As our employees continue to work from home, we monitored staff productivity and continually maintained the confidentiality of all sensitive information.

The Group will continue to monitor the development of the situation locally and globally and follow recommended measures and guidelines issued by the Nigeria Centre for Disease Control (NCDC) and their Counterparts, World Health Organization (WHO) and other health authorities.

In the light of these recent developments and its underlying impact, the Group, has assessed the impact of COVID-19 on the annual financial statements and considered the potential impairment indicators. As at the date of approving these annual financial statements by the board, management have assessed the impact of covid 19 and reach a conclusion that;

The outbreak of Covid 19 (Dental varietant/Omicrom) did not impact on the activities and performance of the Group as at the end of the period 30 September, 2022.

Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) Consolidated Hallmark Insurance Plc maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's securities. The Policy is periodically reviewed by the Board and updated. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the policy during the period under review.

Free Float Computation

Directors	Direct As at December 2021	Indirect As at December 2021	Total As at December 2021	December 31, 2021 % of Holding	Direct As at September 2022	Indirect As at September	Total As at September 2022	September 30, 2022 % of Holding
Issued Share Capital			10,840,000,000	100%			10,840,000,000	100%
Mr. Obinna Ekezie	-	526,537,893	526,537,893	4.86%	-	526,537,893	526,537,893	4.86%
Mrs. Adebola Odukale		1,151,979,358	1,151,979,358	10.63%		1,151,979,358	1,151,979,358	10.63%
Mr. Eddie Efekoha	1,040,000,000	586,798,809	1,626,798,809	15.01%	1,040,000,000	586,798,809	1,626,798,809	15.01%
Mrs. Ngozi Nkem	277,333,333	659,326,671	936,660,004	8.64%	277,333,333	659,326,671	936,660,004	8.64%
Dr. Layi Fatona		2,818,442,750	2,818,442,750	26.00%		2,818,442,750	2,818,442,750	26.00%
			7,060,418,814	65.13%	**1,317,333,333**	**5,743,085,481**	**7,060,418,814**	65.13%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests								
Mr. Babatunde Daramola	26,834,481		26,834,481	0.25%	26,834,481		26,834,481	0.25%
Mrs. Mary Adeyanju	33,953,777		33,953,777	0.31%	33,953,777		33,953,777	0.31%
Prince Ben Onuora	43,655,598		43,655,598	0.40%	43,655,598		43,655,598	0.40%
			104,443,856	0.96%			104,443,856	0.96%
Other Influential Shareholdings			-				-	
Free Float in Units and Percentage			3,675,137,330	33.90%			3,675,137,330	33.90%
Free Float in Value			1,837,568,665.00				1,837,568,665	

(A) CONSOLIDATED HALLMARK INSURANCE Plc with a free float percentage of 33.90% as at 30 September 2022, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

(B) CONSOLIDATED HALLMARK INSURANCE Plc with a free float value of N1,837,568,665 as at 30 September 2022, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

Statement of Significant Accounting Policies
The following are the significant accounting policies adopted by the Group in the preparation of its consolidated financial statements. These policies have been consistently applied to all year's presentations, unless otherwise stated

1. Basis of presentation:

1.1 Statement of compliance with IFRS

These financial statements are the separate and consolidated financial statement of the company and its subsidiaries (together, "the group"). The group's financial statements for the year 2021 have been prepared in accordance with the International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standard Board ("IASB"), and interpretations issued by IFRS's interpretation committee (IFRIC) and in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011.

These are the Group's financial statements for the period ended 31 March 2022, prepared in accordance with IFRS 10 - Consolidated Financial Statements.

1.1.2 Application of new and amended standards

New and amended standards and interpretations
The accounting policies adopted are consistent with those of the previous financial period.

Standards and interpretations effective during the reporting period
Amendments to the following standard(s) became effective in the annual period starting from 1 January, 2021. The new reporting requirements as a result of the amendments and/or clarifications have been evaluated and their impact or otherwise are noted below:

Amendments to IFRS 16 - Covid-19-Related Rent Concessions beyond 30 June 2021

In March 2021, the Board amended the conditions of the practical expedient in IFRS 16 that provides relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.
Following the amendment, the practical expedient now applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met.
This amendment has no impact on the Group.

Amendments to IFRS 4 – Insurance Contract, regarding implementation of IFRS 9
The IASB issued the amendments to IFRS 4 providing two options for entities that issue insurance contracts within the scope of IFRS 4:

1. An option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets; this is called the overlay approach;
2. An optional temporary exemption from applying IFRS 9 for entities whose predominant activity is issuing contracts within the scope of IFRS 4; this is called the deferral approach.

CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted IFRS 9 as issued by the IASB in July 2014 with a date of transition of 1 January 2021, which resulted in changes in accounting policies and adjustments to the amounts previously recognised in the financial statements. Group did not early adopt any of IFRS 9 in previous periods.
Adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in the opening retained earnings and other reserves of the current year.

The Group does not currently apply hedge accounting. The adoption of IFRS 9 has resulted in changes in the accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 'Financial Instruments: Disclosures'.
Set out below are disclosures relating to the impact of the adoption of IFRS 9 on FBN Insurance Limited. Further details of the specific IFRS 9 accounting policies applied in the current period are described in the accounting policies section.
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IFRS 9 - Financial instruments

IFRS 9 introduces a new approach for classification and measurement of financial instruments, a more forward looking Impairment methodology and a new general hedge accounting requirement.

Classification and Measurement

IFRS 9 requires financial assets to be classified into one of three measurement categories:
fair value through profit or loss, fair value through other comprehensive income and amortised cost.

Financial assets will be measured at amortised cost if they are held within a business model with the objective of which is to hold financial assets in order to collect contractual cash flows, and their contractual cash flows represent solely payments of principal and interest.

Financial assets will be measured at fair value through other comprehensive income if they are held within a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets and their contractual cash flows represent solely payments of principal and interest.

Financial assets not meeting either of these two business models; and all equity instruments (unless designated at inception to fair value through other comprehensive income); and all derivatives are measured at fair value through profit or loss. An entity may, at initial recognition, designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch. The Group has undertaken an assessment to determine the potential impact of changes in classification and measurement of financial assets. Our assessment revealed that the adoption of IFRS 9 is unlikely to result in significant changes to existing asset measurement bases. IFRS 9 retains most of the existing requirements for financial liabilities. However, for financial liabilities designated at fair value through profit or loss, gains or losses attributable to changes in own credit risk shall be presented in Other Comprehensive Income.

IFRS 9 retains most of the existing requirements for financial liabilities. However, for financial liabilities designated at fair value through profit or loss, gains or losses attributable to changes in own credit risk shall be presented in Other Comprehensive Income.

Impairment Methodology

The IFRS 9 impairment model will be applicable to all financial assets at amortised cost, debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantees not measured at fair value through profit or loss. IFRS 9 replaces the existing ‘incurred loss’ impairment approach with an Expected Credit Loss (‘ECL’) model, resulting in earlier recognition of credit losses compared with IAS 39. Expected credit losses are the unbiased probability weighted average credit losses determined by evaluating a range of possible outcomes and future economic conditions. The ECL model has three stages. Entities are required to recognise a 12 month expected loss allowance on initial recognition (stage 1) and a lifetime expected loss allowance when there has been a significant increase in credit risk since initial recognition (stage 2). Stage 3 requires objective evidence that an asset is credit-impaired, which is similar to the guidance on incurred losses in IAS 39.

The requirement to recognise lifetime ECL for assets which have experienced a significant increase in credit risk since origination, but which are not credit impaired, does not exist under IAS 39. The assessment of whether an asset is in stage 1 or 2 considers the relative change in the probability of default occurring over the expected life of the instrument, not the change in the amount of expected credit losses. Reasonable and supportable forward looking information will also be used in determining the stage allocation. In general, assets more than 30 days past due, but not credit impaired, will be classed as stage 2.

IFRS 9 requires the use of more forward looking information including reasonable and supportable forecasts of future economic conditions. The Group has developed the capability to model a number of economic scenarios and capture the impact on credit losses to ensure the overall ECL represents a reasonable distribution of economic. An assessment of the ECL in the Group’s balance sheet reflects an increase in the provisions for credit losses. However, this increase will not have a significant impact on regulatory capital and invariably the Capital adequacy.

Hedge Accounting

The hedge accounting requirements in IFR S 9 are optional . If certain eligibility and qualification criteria are met, hedge accounting allows an entity to reflect risk management activities in the financial statements by matching gains or losses on financial hedging instruments with losses or gains on the risk exposures they hedge. The application of the hedge accounting requirements in IFRS 9 is optional and can only be applied when certain eligibility and qualification criteria are met. A hedging relationship qualifies for hedge accounting only if all of the following criteria are met:

1. the hedging relationship consists only of eligible hedging instruments and eligible hedged items;
2. At inception of the hedging relationship there is formal designation and documentation of the hedging relationship and the entity’s risk management objective and strategy for undertaking the hedge; and
3. The hedging relationship meets all of the hedge effectiveness requirements.

Hedge accounting allows an entity to reflect its risk management activities in the financial statements by matching gains or losses on hedging instruments (e.g. derivatives) with losses or gains on the risk exposures they hedge (e.g. foreign currency sales).

The Company has fully adopted IFRS 9 in the preparation of this financial statement

IMPACT ANALYSIS - ADOPTION OF IFRS 9 'FINANCIAL INSTRUMENTS'
The Company adopted IFRS 9 from January 1, 2021 using the full retrospective approach of adoption and comparatives have been restated.

The investment classifications Available-for sale financial assets, Held-to-Maturity investments and Loans and receivables are no longer used and financial assets at Fair Value through Other Comprehensive Income and Amortised costs were introduced. The Group had investments held in these categories as at December 31, 2020. However, there is gap in the current classification and measurement of the financial assets and liabilities. This is because Available-for- sale financial assets under IAS 39 were measured at Fair value through Other Comprehensive Income and Held-to- Maturity was not measured at Amortised Costs under IAS 39.

However, impairment charges resulting from the change in the impairment methodology impacted the Company's financial assets and the changes have been reflected retrospectively in the Group's opening Retained Earning as at January 1, 2021.

Under IAS 39, the impairment methodology was Incurred Loss Model where impairment assessment will be carried out only when there was an objective evidence of impairment. IFRS 9 Impairment model are based on an Expected Credit Loss Model which applies 3 -stage approach to measuring expected credit losses (ECL).

The Group has applied the Expected Credit Loss Model which resulted into impairment loss of N30.06Million as at January 1, 2021

The impact of IFRS 9 on the statement of financial position for the group as at January 1, 2021 is as follows:

The impact of IFRS 9 on the statement of financial position for the group as at December 31, 2020 as follows:

Group	Note	December 31, 2020					Balance ast Jan. 1, 2021
		IAS 39 Classification and measurement	Reclassification	Measurement	ECL	Tax	IFRE 9 Classification and measurement
Assets		N	N		N		N
Cash and cash equivalents	iv	3,173,916,076			(4,391,995)		3,169,524,082
Financial assets:							-
-At fair value through profit or loss		778,767,398					778,767,398
-Loans and receivables	i	947,576,589	(947,576,589)				-
-At Ammortised Cost	v		3,577,270,856		(15,912,608)		3,561,358,248
-Available for sale assets	ii	72,348,451	(72,348,451)				-
-Fair Value Through OCI	vi		72,348,451	20,516,631			92,865,082.40
-Held to maturity	iii	2,629,694,266	(2,629,694,266)				-
Deposit for shares		-					-
Finance lease receivables		86,247,031					86,247,031
Trade receivables	vii	607,688,316			(126,130)		607,562,185
Reinsurance assets	viii	3,018,080,617			(9,602,989)		3,008,477,628
Deferred acquisition cost		355,066,148					355,066,148
Other receivables & prepayment	ix	129,353,111			(27,651)		129,325,460
Investment in subsidiaries		-					-
Intangible Assets		36,574,657					36,574,657
Investment properties		1,042,487,470					1,042,487,470
Property and equipment		1,021,572,225					1,021,572,225
Right-of-Use assets		9,968,479					9,968,479
Statutory deposits		402,000,000					402,000,000
							-
Total assets		14,311,340,834	-	20,516,631	(30,061,373)	-	14,301,796,092
Liabilities							
Insurance contract liabilities		5,208,233,152					5,208,233,152
Trade payables		13,972,733					13,972,733
Borrowing		5,013,052					5,013,052
Other payables and provision		221,056,870					221,056,870
Retirement benefit obligations		4,129,526					4,129,526
Deposit for Shares		-					-
Income tax liabilities		359,459,121					359,459,121
Deferred tax liabilities	xii	177,878,284				6,565,322	184,443,606
Total liabilities		5,989,742,738	-	-	-	6,565,322	5,996,308,060
Equity and reserves							
Issued and paid up share capital		5,420,000,000					5,420,000,000
Share Premium		168,933,834					168,933,834
Contingency reserve		2,136,621,663					2,136,621,663
Statutory reserve		45,964,378					45,964,378
OCI Reserve	xi			20,516,631		(6,565,322)	13,951,309
Retained earnings	x	550,078,221			(30,061,373)		520,016,849
Total equity and reserves		8,321,598,096	-	20,516,631	(30,061,373)	(6,565,322)	8,305,488,032
Total liabilities and equity and reserves		14,311,340,834	-	20,516,631	(30,061,373)	-	14,301,796,092

The impact of IFRS 9 on the statement of financial position for the group as at December 31, 2020 as follows:

		December 31,2020 IAS 39 Classification and measurement	Reclassification	Measurement	ECL	Tax	Balance at Jan. 1, 2021 IFRE 9 Classification and measurement
Company	**Note**	**N**	**N**		**N**		**N**
Assets							
Cash and cash equivalents	iv	2,175,313,539			(3,613,504)		2,171,700,035
Financial assets:							-
-At fair value through profit or loss		772,258,498					772,258,498
-Loans and receivables	i	211,045,461	(211,045,461)				-
-At Ammortised Cost	v		2,840,739,727		(15,912,608)		2,824,827,119
-Available for sale assets	ii	70,148,451	(70,148,451)				-
-Fair Value Through OCI	vi		70,148,451	20,516,631			90,665,082
-Held to maturity	iii	2,629,694,266	(2,629,694,266)				-
Deposit for shares		-					-
Finance lease receivables		-					-
Trade receivables	vii	481,030,540					481,030,540
Reinsurance assets	viii	3,018,080,617			(9,602,989)		3,008,477,628
Deferred acquisition cost		344,817,850					344,817,850
Other receivables & prepayments	ix	388,249,870					388,249,870
Investment in subsidiaries		1,494,225,000					1,494,225,000
Intangible Assets		30,480,413					30,480,413
Investment properties		948,826,470					948,826,470
Property and equipment		963,585,844					963,585,844
Right-of-Use assets		-					-
Statutory deposits		300,000,000					300,000,000
							-
Total assets		13,827,756,819	-	20,516,631	(29,129,100)	-	13,819,144,350
Liabilities							
Insurance contract liabilities		5,014,339,773					5,014,339,773
Trade payables		13,972,733					13,972,733
Borrowing		-					-
Other payables and provision		208,764,373					208,764,373
Retirement benefit obligations		2,253,607					2,253,607
Deposit for Shares		-					-
Income tax liabilities		289,145,971					289,145,971
Deferred tax liabilities	xii	173,040,130				6,565,322	179,605,452
Total liabilities		5,701,516,587	-	-	-	6,565,322	5,708,081,909
Equity and reserves							
Issued and paid up share capital		5,420,000,000					5,420,000,000
Share Premium		168,933,834					168,933,834
Contingency reserve		2,136,621,663					2,136,621,663
Statutory reserve		-					-
OCI Reserve	xi			20,516,631		(6,565,322)	13,951,309
Retained earnings	x	400,684,735			(29,129,100)		371,555,635
Total equity and reserves		8,126,240,232	-	20,516,631	(29,129,100)	(6,565,322)	8,111,062,441
Total liabilities and equity and reserves		13,827,756,819	-	20,516,631	(29,129,100)	-	13,819,144,350

	Key impact analysis of IFRS 9 on the financial poisition as at December 31, 2020:		
		Group	**Company**
i	Loans and Receivables	**N**	**N**
	Balance as per 2020 audited financial statements	947,576,589	211,045,461
	Reclassified to Amortised Cost	(947,576,589)	(211,045,461)
		-	-
ii	Available for sale assets		
	Balance as per 2020 audited financial statements	72,348,451	70,148,451
	Reclassified to fair value through OCI	(72,348,451)	(70,148,451)
		-	-
iii	Held to Maturity		
	Balance as per 2020 audited financial statements	2,629,694,266	2,629,694,266
	Reclassified to Amortised Cost	(2,629,694,266)	(2,629,694,266)
		-	-
iv	Cash and cash equivalent		
	Balance as per 2020 audited financial statements	3,173,916,076	2,175,313,539
	Impairment loss	(4,391,995)	(3,613,504)
		3,169,524,082	2,171,700,035
	Impact on Equity	(4,391,995)	(3,613,504)
v	Assets at Amortised Cost		
	Balance as per 2020 audited financial statements	-	-
	Reclassified from Loans and receivables	947,576,589	211,045,461
	Reclassified from Held to Maturity	2,629,694,266	2,629,694,266
	Impairment loss	(15,912,608)	(15,912,608)
		3,561,358,248	2,824,827,119
	Impact on Equity	(15,912,608)	(15,912,608)
vi	Fair Value Through OCI		
	Balance as per 2020 audited financial statements	-	-
	Reclassified from AFS	72,348,451	70,148,451
	Fair value gain	20,516,631	20,516,631
		92,865,082	90,665,082
	Impact on OCI Reserve	13,951,309	13,951,309
vii	Trade Receivable		
	Balance as per 2020 audited financial statements	607,688,316	481,030,540
	Impairment loss	(126,130)	-
		607,562,185	481,030,540
	Impact on Equity	(126,130)	-
viii	Reinsurance Asset		
	Balance as per 2020 audited financial statements	3,018,080,617	3,018,080,617
	Impairment loss	(9,602,989)	(9,602,989)
		3,008,477,628	3,008,477,628
	Impact on Equity	(9,602,989)	(9,602,989)
ix	Other Receivables		
	Balance as per 2020 audited financial statements	129,353,111	388,249,870
	Impairment loss	(27,651)	-
		129,325,460	388,249,870
	Impact on Equity	(27,651)	-
x	Retained Earnings		
	Balance as per 2020 audited financial statements	550,078,221	400,684,735
	Impairment loss	(30,061,373)	(29,129,100)
		520,016,849	371,555,635
xi	OCI Reserve		
	Balance as per 2020 audited financial statements	-	-
	Fair value gain	13,951,309	13,951,309
		13,951,309	13,951,309
xii	Deferred tax		
	Balance as per 2020 audited financial statements	177,878,284	173,040,130
	Charged on fair value gain	6,565,322	6,565,322
		184,443,606	179,605,452

1. The Group has assessed the classification of its financial instruments and concludes that the business model has not changed significantly compared with the classification under IAS 39. The Group is not likely to be exposed to any significant volatility in assets and capital following the full adoption of IFRS 9 earlier than 2022 when IFRS 17 will be adopted. In line with the Group's business model, all financial assets and financial liabilities are matched through profit or loss.

2. As of 1 January 2021, the Group's analysis highlighted the components of its cash and cash equivalents as including short-term deposit (i.e. call and termed deposits), bank accounts balances held with banks and cash in hand. The balances meet the SPPI criterion and these were classified as financial assets carried at amortised cost.

3. The Group assessed its investment in Quoted stocks measured at fair value through profit or loss under IAS 39 and retained its classification as the financial liabilities are also measured through profit or loss.

4. The Group assessed its Loans and receivables and investment securities (treasury bills and federal government bonds) and measured held to maturity under IAS 39 and are now classified as amortised cost. The balances were assessed for impairment and the ECL impairment recognised amounted to N15,912,608.

5. All AFS Unquoted Equity previously carried at available-for-sale under IAS 39 are measured at fair value through other comprehensive income as the Group expects not only to hold the assets to collect contractual cash flow but also to sell some amount on a relatively basis. The balances were fair valued the fair value gain recognised amounted to N20,516,631.

6. The Group also assessed its Trade and Other receivables balances and concluded that the payments meet the SPPI criterion and based on the Company's business model for holding the balances, concluded that they remain valued at amortised cost as was the case under IAS 39.

1.1.3 Standards and Interpretations Issued but not yet Effective

The following standards have been issued or amended by the IASB but are yet to become effective for annual periods beginning on or after 1 January 2021:

Standard	Content	Effective Date
IAS 16	Amendment to IAS 16 Property, Plant and Equipment	01-Jan-22
IAS 37	Amendment to IAS 37 Provisions, Contingent liabilities and Contingent assets	01-Jan-22
IFRS 3	Amendment to IFRS 3-Reference to the Conceptual Framework	01-Jan-22
IAS 1	Amendment to IAS 1- Classification of Liabilities as Current or Noncurrent	01-Jan-23
IFRS 17	Insurance Contracts	01-Jan-23
IFRS 8	Amendment to IFRS 8-Definition of Accounting Estimates	01-Jan-23
IAS 12	Amendment to IAS 12-Deferred Tax related to Assets and Liabilities arising from a Single Transaction	01-Jan-23

The Group has not applied the following new or amended standards in preparing these consolidated and separate financial statements as it plans to adopt these standards at their respective effective dates.
Commentaries on these new standards/amendments are provided below.

Amendment to IAS 16 – Property, Plant and Equipment

The IASB issued amendment to IAS 16 – Property, Plant and Equipment which is effective for annual reporting periods beginning on or after 1 January 2022. The amendment prohibits the deduction from the cost to an item of property, plant and equipment proceeds of the sale of items produced while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management. Instead, an entity should recognize the sale proceeds and related production cost of those items in Profit or loss.
The amendment is not expected to have any impact on the Group.

Amendment to IAS 37 – Provisions, Contingent liabilities, and Contingent assets

The IASB published amendment to IAS 37 – Provisions, Contingent liabilities and Contingent assets in May 2020. The amendment which is effective for annual reporting periods beginning on or after 1 January 2022 specifies the costs an entity needs to include when assessing whether a contract is onerous.

The amendment clarifies that the costs that relate to a contract comprise both incremental costs of fulfilling the contract and an allocation of other direct costs related to the contract activities.
The amendment do not have any material impact on the Group.

IFRS 17 – Insurance Contracts

The IASB issued IFRS 17 in May 2017 and applies to annual reporting periods beginning on or after 1 January 2023. The new IFRS 17 standard establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard.
The objective of IFRS 17 is to ensure an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.
The impact on the Group and its subsidiary companies will reflect when it is adopted.

Amendment to IAS 1 – Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendment to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The amendment clarify:

• What is meant by a right to defer settlement.

• That a right to defer must exist at the end of the reporting period.

• That classification is unaffected by the likelihood that an entity will exercise its deferral right.

• That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The Board also added two new paragraphs (Paragraph 76A and 76B) to IAS1 to clarify what is meant by "settlement" of a liability. The Board concluded that it was important to link the settlement of the liability with the outflow of resources of the entity.
The amendment does not have any material impact on the Group.

IFRS 8 – Definition of Accounting Estimates
The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the Board. The amendment does not have any material impact on the Group.

IFRS 3 – Reference to the Conceptual Framework

The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. The amendment do not have any material impact on the Group.

IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.
Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.

Nevertheless, it is possible that the resulting deferred tax assets and liabilities are not equal (e.g., if the entity is unable to benefit from the tax deductions or if different tax rates apply to the taxable and deductible temporary differences). In such cases, which the Board expects to occur infrequently, an entity would need to account for the difference between the deferred tax asset and liability in profit or loss. The amendment do not have any material impact on the Group.

1.2 Basis of measurement
These financial statements are prepared on the historical cost basis except for the following:

- Available-for-sale financial assets are measured at fair value.
- Investment property is measured at fair value.
- Assets held for trading are measured at fair value

1.3 Functional and presentation currency
The financial statements are presented in the functional currency, Nigeria naira which is the Group's functional currency.

1.4 Consolidation
The Group financial statements comprise the financial statements of the company and its subsidiaries, CHI Capital Limited, Hallmark Health Services Limited and CHI Microinsurance Limited, all made up to 31 December, each year. The financial statements of subsidiaries are consolidated from the date the group acquires control, up to the date that such effective control seizes.

Subsidiaries are all entities (including structured entities) over which the Group exercise control. Control is achieved when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

(1) Power over the investee
(2) Exposure, or rights, to variable returns from its involvement with the investee, and
(3) The ability to use its power over the investee to affect the amount of the investor's returns.

The subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

Subsidiaries are measured at cost less impairment in the separate financial statement.

1.5 Use of estimates and judgments

The Group makes estimate and assumption about the future that affects the reported amounts of assets and liabilities. Estimates and judgement are continually evaluated and based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumption. The annual accounting basis is used to determine the underwriting result of each class of insurance business written.

The effect of a change in an accounting estimate is recognized prospectively by including it in the comprehensive income in the period of the change, if the change
affects that period only, or in the period of change and future period, if the change affects both.

The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amount of asset and liabilities within the next financial year are discussed below:

(a) The ultimate liability arising from claims made under insurance contracts
The estimation of the ultimate liability arising from claims made under insurance contracts is the group's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that the company will ultimately pay for such claims. The uncertainty arises because all events affecting the ultimate settlement of the claims have not taken place and may not take place for some time. Changes in the estimate of the provision may be caused by receipt of additional claim information, changes in judicial interpretation of contract, or significant changes in severity or frequency of claims from historical records. The estimates are based on the company's historical data and industry experience. The ultimate claims liability computation is subjected to a liability adequacy test by an actuarial consultant using actuarial models.

(b) Impairment of trade receivables
The Group adopted the policy of no premium no cover and the trade receivables outstanding as at the reporting period are premium receivable within 30days that are due from brokers. The trade receivable was further subjected to impairment based on management judgement. Internal models were developed based on company's specific collectability factors and trends to determine amounts to be provided for impairment of trade receivables. Efforts are made to assess significant debtors individually based on information available to

management and where there is objective evidence of impairment they are appropriately impaired. Other trade receivables either significant or otherwise that are not specifically impaired are grouped on a sectorial basis and assessed based on a collective impairment model that reflects the company's debt collection ratio per sector.

(c) Deferred acquisition costs (DAC)
Commissions that vary with and are related to securing new contracts and renewing existing contracts are capitalised as an intangible asset under Deferred Acquisition Costs (DAC). The amount of commission to be deferred is directly proportional to the time apportionment basis of the underlying premium income to which the acquisition cost is directly related.

(d) Income taxes
The Group periodically assesses its liabilities and contingencies related to income taxes for all years open to audit based on the latest information available. For matters where it is probable that an adjustment will be made, the Group records its best estimate of the tax liability including the related interest and penalties in the current tax provision.

Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

2. Segment reporting
An operating segment is a component of the Group engaged in business activities from which it can earn revenues whose operating results are reviewed regularly by the Group's Executive Management in order to make decisions about resources to be allocated to segments and assessing segments performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker is the Executive Management.

3. Cash and cash equivalents
Cash and cash equivalents comprise cash in hand, deposits with a maturity of three months or less and other short-term highly liquid investments that are readily convertible into known amounts of cash. For the purpose of reporting cash flows, cash and cash equivalents include cash on hand; bank balances, fixed deposits and treasury bills within 90days.

3.1 Financial Instruments

Recognition
The Group on the date of origination or purchase recognizes placements, equity securities and deposits at the fair value of consideration paid. Regular-way purchases and sales of financial assets shall be recognized on the settlement date. All other financial assets and liabilities, including derivatives, shall be initially recognized on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Classification and Measurement
Initial measurement of a financial asset or liability shall be at fair value plus transaction costs that are directly attributable to its purchase or issuance. For instruments measured at fair value through profit or loss, transaction costs shall be recognized immediately in profit or loss. Financial assets include placement with banks, treasury bills and equity instruments.

Financial assets shall be classified into one of the following measurement categories in line with the provisions of IFRS 9:

1. Amortised cost
2. Fair Value through Other Comprehensive Income (FVOCI)
3. Fair Value through Profit or Loss (FVTPL) for trading related assets.

The Group shall classify its financial assets based on the business model for managing the assets and the asset's contractual cash flow characteristics.

Business Model Assessment
Business model assessment shall involve determining whether financial assets are managed in order to generate cash flows from collection of contractual cash flows, selling financial assets or both. The Group shall assess business model at a portfolio level reflective of how groups of assets are managed together to achieve a particular business objective. For the assessment of business model the Group will take into consideration the following factors:

The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that shall be funding those assets or realizing cash flows through the sale of the assets;

How the performance of assets in a portfolio will be evaluated and reported to the relevant heads of department and other key decision makers within the Company's business lines;

The risks that affect the performance of assets held within a business model and how those risks shall be managed;

How compensation shall be determined for the Company's business lines, management that manages the assets; and
The frequency and volume of sales in prior periods and expectations about future sales activity.

Management shall determine the classification of the financial instruments at initial recognition. The business model assessment falls under three categories:

I) Business Model 1(BM1): Financial assets held with the sole objective to collect contractual cash flows

II) Business Model 2 (BM2): Financial assets held with the objective of both collecting contractual cash flows and selling; and

III) Business Model 3 (BM3): Financial assets held with neither of the objectives mentioned in BM1 or BM2 above. These shall be basically financial assets held with the sole objective to trade and to realize fair value changes.

The Group may decide to sell financial instruments held under the BM1 category with the objective to collect contractual cash flows without necessarily changing its business model if one or more of the following conditions shall be met:

i) Where these sales shall be infrequent even if significant in value. A Sale of financial assets shall be considered infrequent if the sale shall be one-off during the Financial Year and/or occurs at most once during the quarter or at most three (3) times within the Financial Year.

ii) Where these sales shall be insignificant in value both individually and in aggregate, even if frequent. A sale shall be considered insignificant if the portion of the financial assets sold shall be equal to or less than five (5) per cent of the carrying amount (book value) of the total assets within the business model.

iii) When these sales shall be made close to the maturity of the financial assets and the proceeds from the sales approximates the collection of the remaining contractual cash flows. A sale is considered to be close to maturity if the financial assets has a tenor to maturity of not more than one (1) year and/or the difference between the remaining contractual cash flows expected from the financial asset does not exceed the cash flows from the sales by ten (10) per cent.

Other reasons: The following reasons outlined below may constitute 'Other Reasons' that may necessitate selling financial assets from the BM1 category that will not constitute a change in business model:

1. Selling the financial asset to realize cash to deal with unforeseen need for liquidity (infrequent).
2. Selling the financial asset to manage credit concentration risk (infrequent)
3. Selling the financial assets as a result of changes in tax laws (infrequent).
4. Other situations also depends upon the facts and circumstances which need to be judged by the Management

Cash flow characteristics assessment

The company shall assess the contractual features of an instrument to determine if they give rise to cash that shall be consistent with a basic investment arrangement.

Contractual cash flows shall be consistent with a basic deposit arrangement if they represent cash flow that are solely payments of principal and interest on the principal amount outstanding (SPPI).

Principal shall be defined as the fair value of the instrument at initial recognition. Principal may change over the life of the instruments due to repayments. Interest shall be defined as consideration for the time value of money and the credit risk associated with the principal amount outstanding and for other basic lending risks and costs (liquidity risk and administrative costs), as well as a profit margin.

Classification of Financial Assets

a) Financial assets measured at amortised cost

Financial assets shall be measured at amortised cost if they are held within a business model whose objective shall be to hold for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. After initial measurement, debt instruments in this category shall be carried at amortized cost using the effective interest rate method. The effective interest rate shall be the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. Amortized cost shall be calculated taking into account any discount or premium on acquisition, transaction costs and fees that shall be an integral part of the effective interest rate.

Amortization shall be included in Interest income in the Consolidated Statement of Income. Impairment on financial assets measured at amortized cost shall be calculated using the expected credit loss approach.Financial assets measured at amortized cost shall be presented net of the allowance for credit losses (ACL) in the statement of financial position.

b) **Financial assets measured at FVOCI**

Financial assets shall be measured at FVOCI if they are to be held within a business model whose objective shall be to hold for collection of contractual cash flows and for selling financial assets, where the assets' cash flows represent payments that shall be solely payments of principal and interest. Subsequent to initial recognition, unrealized gains and losses on debt instruments measured at FVOCI shall be recorded in Other Comprehensive Income (OCI).

C) **Financial assets measured at FVTPL**

Financial assets measured at FVTPL include assets held for trading purposes, assets held as part of a portfolio managed on a fair value basis and assets whose cash flows do not represent payments that shall be solely payments of principal and interest. Financial assets may also be designated at FVTPL if by so doing eliminates or significantly reduces an accounting mismatch which would otherwise arise. These instruments shall be measured at fair value in the Consolidated Statement of Financial Position, with transaction costs recognized immediately in the Consolidated Statement of Income.

D) **Equity Investments**

Equity instruments shall be measured at FVTPL, unless an election is made to designate them at FVOCI upon purchase. For equity instruments measured at FVTPL, changes in fair value shall be recognized in the Consolidated Statement of Income. The Company can elect to classify non-trading equity instruments at FVOCI. This election will be used for certain equity investments for strategic or longer term investment purposes. The FVOCI election shall be made upon initial recognition, on an instrument-by-instrument basis and once made shall be irrevocable. Gains and losses on these instruments including when derecognized/sold shall be recorded in OCI and shall not be subsequently reclassified to the Consolidated Statement of Income.

Dividends received shall be recorded in Interest income in the Consolidated Statement of Income. Any transaction costs incurred upon purchase of the security shall be added to the cost basis of the security and shall not be reclassified to the Consolidated Statement of Income on sale of the security.

Financial liabilities shall be classified into one of the following measurement categories:
a) Amortised cost
(b)Fair Value through Profit or Loss (FVTPL)

E) **Financial Liabilities at fair value through profit or loss**

Financial liabilities accounted for at fair value through profit or loss fall into two categories:
financial liabilities held for trading and financial liabilities designated at fair value through profit or loss on inception

Financial liabilities at fair value through profit or loss shall be financial liabilities held for trading. A financial liability shall be classified as held for trading if it shall be incurred principally for the purpose of repurchasing it in the near term or if it shall be part of a portfolio of identified financial instruments that shall be managed together and for which there shall be evidence of a recent actual pattern of profit-taking. Derivatives shall also be categorized as held for trading unless they shall be designated and effective as hedging instruments. Financial liabilities held for trading also include obligations to deliver financial assets borrowed by a short seller.

Gains and losses arising from changes in fair value of financial liabilities classified as held for trading shall be included in the income statement and shall be reported as 'Net gains/(losses) on financial instruments classified as held for trading'. Interest expenses on financial liabilities held for trading shall be included in 'Net interest income'.
Financial Liabilities shall be designated at FVTPL when either the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise or the financial liability contains one or more embedded derivatives which significantly modify the cash flows otherwise required. For liabilities designated at fair value through profit or loss, all changes in fair value shall be recognized in the Consolidated Statement of Income, except for changes in fair value arising from changes in the company's own credit risk which shall be recognized in OCI. Changes in fair value of liabilities due to changes in the company's own credit risk, which are recognized in OCI, shall not be subsequently reclassified to the Consolidated Statement of Income upon derecognition/extinguishment of the liabilities.

F) **Financial Liabilities at amortised cost**
Financial liabilities that are not classified at fair value through profit or loss fall into this category and shall be measured at amortised cost using the effective interest rate method. Financial liabilities measured at amortised cost shall be debt securities in issue for which the fair value option is not applied, convertible bonds and subordinated debts.

Reclassifications
Financial assets shall not be reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets. A change in the Group's business model will occur only when the Group either begins or ceases to perform an activity that is significant to its operations such as:

- Significant internal restructuring or business combinations; for example: an acquisition of a private asset management company that might necessitate transfer and sale of assets to willing buyers, this action will constitute changes in business model and subsequent reclassification of the assets held from BM1 to BM2 Category.

Any other reason that might warrant a change in the Group's business model are determined by management based on facts and circumstances.

The following shall not be considered to be changes in the business model:

(a) A change in intention related to particular financial assets (even in circumstances of significant changes in market conditions)
(b) A temporary disappearance of a particular market for financial assets.
(c) A transfer of financial assets between parts of the Group with different business models.

When reclassification occurs, the Group shall reclassify all affected financial assets in accordance with the new business model. Reclassification shall be applied prospectively from the 'reclassification date'. Reclassification date shall be 'the first day of the first reporting period following the change in business model. For example, if the Group decides to shut down the retail business segment on 31st December 2020, the reclassification date will be January 1, 2021 (i.e. the first day of the entity's next reporting period), the Group shall not engage in activities consistent with its former business model after 31st December, 2020. Gains, losses or interest previously recognised shall not be restated when reclassification occurs.

Impairment of Financial Assets

In line with IFRS 9, the Group assess the under listed financial instruments for impairment using Expected Credit Loss (ECL) approach:

1. Amortized cost financial assets; and
2. Debt securities classified as at FVOCI;

Equity instruments and financial assets measured at FVTPL shall not be subjected to impairment under the standard.

Expected Credit Loss Impairment Model

The Group's allowance for credit losses calculations shall be outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either over the following twelve months or over the expected life of a financial instrument depending on credit deterioration from inception. The allowance for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts.

The Group shall adopts a three-stage approach for impairment assessment based on changes in credit quality since initial recognition.

Stage 1 – Where there has not been a Significant Increase in Credit Risk (SICR) since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss shall be recorded. The expected credit loss shall be computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to remaining term to maturity shall be used.

Stage 2 – When a financial instrument experiences a SICR subsequent to origination but is not considered to be in default, it shall be included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.

Stage 3 – Financial instruments that are considered to be in default shall be included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

The guiding principle for ECL model shall be to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments since initial recognition. The ECL allowance shall be based on credit losses expected to arise over the life of the asset (life time expected credit loss), unless there has been no significant increase in credit risk since origination. Examples of financial assets with low credit risk (no significant increase in credit risk) include: Risk free and gilt edged debt investment securities that shall be determined to have low credit risk at the reporting date; and Other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

Measurement of Expected Credit Losses

The probability of default (PD), exposure at default (EAD), and loss given default (LGD) inputs used to estimate expected credit losses shall be modelled based on macroeconomic variables that are most closely related with credit losses in the relevant portfolio.

Details of these statistical parameters/inputs are as follows:

PD – The probability of default shall be an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the remaining estimated life if the asset has not been previously derecognized and are still in the portfolio.

12-month PDs – This is the estimated probability of default occurring with the next 12 months (or over the remaining life of the financial instrument if that is less than 12 months). This shall be used to calculate 12-month ECLs.

Lifetime PDs – This is the estimated probability of default occurring over the remaining life of the financial instrument. This shall be used to calculate lifetime ECLs for “stage 2” and stage 3 exposures. PDs shall be limited to the maximum exposure required by IFRS 9

EAD – The exposure at default shall be an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

LGD – The loss given default shall be an estimate of the loss arising in the case where a default occurs at a given time. It shall be based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It shall be usually expressed as a percentage of the EAD.

Forward-looking information

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk considers information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information requires significant judgement.

Macroeconomic factors

The Group shall rely on a broad range of forward looking information as economic inputs, such as GDP growth, unemployment rates, central bank base rates, crude oil prices, inflation rates and foreign exchange rates. The inputs and models used for calculating expected credit losses may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays shall be made as temporary adjustments using expert credit judgement.

Multiple forward-looking scenarios

The Group shall determine allowance for credit losses using three probability-weighted forward looking scenarios. The Group shall consider both internal and external sources of information in order to achieve an unbiased measure of the scenarios used. The Group prepares the scenarios using forecasts generated by credible sources such as Business Monitor International (BMI), International Monetary Fund (IMF), Nigeria Bureau of Statistics (NBS), World Bank, Central Bank of Nigeria (CBN), Nigeria Insurers Association, Financial Markets Dealers Quotation (FMDQ), and

Trading Economics.

The Group estimates three scenarios for each risk parameter (LGD, EAD, CCF and PD) – Normal, Upturn and Downturn, which in turn shall be used in the estimation of the multiple scenario ECLs. The 'normal case' represents the most likely outcome and shall be aligned with information used by the company for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. The Group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables, credit risk and credit losses.

Assessment of significant increase in credit risk (SICR)
At each reporting date, the company shall assess whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The assessment considers borrower-specific quantitative and qualitative information without consideration of collateral, and the impact of forward-looking macroeconomic factors. The common assessments for SICR on retail and non-retail portfolios include macroeconomic outlook, management judgement, and delinquency and monitoring. Forward looking Macroeconomic factors shall be a key component of the macroeconomic outlook. The importance and relevance of each specific macroeconomic factor depends on the type of product, characteristics of the financial instruments and the borrower and the geographical region.

The Group shall adopt a multi factor approach in assessing changes in credit risk. This approach considers: Quantitative (primary), Qualitative (secondary) and Back stop indicators which are critical in allocating financial assets into stages.

The quantitative models considers deterioration in the credit rating of obligor/counterparty based on the company's internal rating system or External Credit Assessment Institutions (ECAI) while qualitative factors considers information such as expected forbearance, restructuring, exposure classification by licensed credit bureau etc.

A backstop shall be used to ensure that in the (unlikely) event that the primary (quantitative) indicators do not change and there is no trigger from the secondary (qualitative) indicators, an account that has breached the 30 days past due criteria for SICR and 90 days past due criteria for Default shall be transferred to stage 2 and stage 3 respectively except there is a reasonable and supportable evidence available without undue cost to rebut the presumption.

Definition of Default and Credit Impaired Financial Assets

At each reporting date, the Group shall assess whether financial assets are credit impaired. A financial asset shall be credit impaired when one or more of the following events have a detrimental impact on the estimated future cash flows of the financial asset:

- Significant financial difficulty of the Issuer;
- A breach of contract such as a default or past due event;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization
- The disappearance of an active market for a security because of financial difficulties

A debt that has been renegotiated due to a deterioration in the issuer's condition shall be considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there shall be no other indicators of impairment. In making an assessment of whether an investment in sovereign debts is credit-impaired, the Group shall consider the following factors.

1. The market's assessment of credit worthiness as reflected in the bond yields
2. The rating agencies' assessments of credit worthiness
3. The country's ability to access the capital markets for new debt issuance
4. The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness
5. The international support mechanisms in place to provide the necessary support as lender of last resort to that country as well as the intention, reflected in public statements of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and irrespective of the political intent, whether there is the capacity to fulfil the required Criteria.

Presentation of allowance for ECL in the statement of financial position

Allowances for ECL shall be presented in the statement of financial position as follows:

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets
- Financial assets measured at FVOCI: no loss allowance shall be recognized in the statement of financial position because the carrying amount of these assets shall be their fair value. However, the loss allowance shall be disclosed and recognized in the fair value reserve.

Write-off

The Group writes off an impaired financial asset (and the related impairment allowance), either partially or in full, when there shall be no realistic prospect of recovery. After a full evaluation of a non-performing exposure, in the event that either one or all of the following conditions apply, such exposure shall be recommended for write-off (either partially or in full):

- Continued contact with the customer is impossible;
- Recovery cost is expected to be higher than the outstanding debt;
- Amount obtained from realization of credit collateral security leaves a balance of the debt; or
- It is reasonably determined that no further recovery on the facility is possible.

The Group adopted the policy stated below for Financial Instruments for the year up to December 2020. (IAS 39)

The Group classifies its financial assets into the following categories: at fair value through profit or loss, loans and receivables, held to maturity and available for sale. The classification is determined by management at initial recognition and depends on the purpose for which the investments were acquired. At initial recognition, the Group classifies its financial assets in the following categories:

A.1.1 Financial assets at fair value through profit or loss

A financial asset is classified in this category if acquired principally for the purpose of selling or repurchasing in the short-term. Financial instruments in this category are recognized initially and subsequently at fair value. Transaction costs are expensed in the consolidated statement of income. Gains and losses arising from changes in fair value are presented in the consolidated statement of income in the period in which they arise. Non-derivative financial assets and liabilities at fair value through profit or loss are classified as current except for the portion expected to be realized or paid beyond twelve months of the balance sheet date, which are classified as long-term. Assets where there is a ready and
liquid quoted market, which are acquired for the purpose of short-term trade, and where mark-to-market valuations are possible on every trading day, are trading assets. Assets do

not fall under this category merely because there is a market for the asset – the entity must have acquired the asset for short term trading intent.

A.1.2 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the Group intends to sell in the short term or that it has designated as at fair value through profit or loss or available for sale. The Group's loans and receivables comprise loans issued to corporate entities, individual and/or staff of the Group. Loans and receivables are initially recognized at the amount expected to be received, less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest rate method less a provision for impairment.

A.1.3 Available-for-sale investments

These are financial assets that are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices or that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss. The Group's available-for-sale assets comprise investments in equity securities (other than those qualifying as cash equivalents).

Available-for-sale investments are recognized initially at fair value plus transaction costs and are subsequently carried at fair value. In cases where the fair value of an unlisted equity cannot be measured reliably, the instruments are carried at cost less impairment. Gains or losses arising from remeasurement are recognized in other comprehensive income except for exchange gains and losses on the translation of debt securities, which are recognized in the consolidated statement of income. When an available-for-sale investment is sold or impaired, the accumulated gains or losses are moved from accumulated other comprehensive income to the statement of income. Available-for-sale investments are classified as non-current, unless an investment matures within twelve months, or management expects to dispose of it within twelve months.

Dividends on available-for-sale equity instruments are recognized in the statement of income as dividend income when the Group's right to receive payment is established.

A.1.4 Held-to-maturity financial assets

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity other than:

- those that the Group upon initial recognition designates as at fair value through profit or loss;
- those that the Group designates as available for sale; and
- those that meet the definition of loans and receivables.

Held-to-maturity investments are initially recognized at cost and subsequently measured at amortized cost. Interests on held-to-maturity investments are included in the income statement and are reported as 'Interest and similar income. In the event of an impairment, it is being reported as a deduction from the carrying value of the investment and recognised in the income statement as 'Net gains/ (losses) on investment securities'

A.2 Reclassifications

Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near-term. In addition, the Group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories, if the Group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification. Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortized cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

A.3 Impairment of assets

A.3.1 *Financial assets carried at amortized cost*

The Group assesses at each end of the reporting period whether there is objective evidence that a financial asset or company of financial assets is impaired. A financial asset or company of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or company of financial assets that can be reliably estimated. Objective evidence that a financial asset or company of assets is impaired includes observable data that comes to the attention of the Group about the following events:

- Significant financial difficulty of the issuer or debtor;
- A breach of contract, such as a default or delinquency in payments;
- It is becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganization;
- The disappearance of an active market for that financial asset because of financial difficulties; or observable data indicating that there is a measurable decrease in the estimated future cash flow from a company of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the Group, including: adverse changes in the payment status of issuers or debtors in the Group; or national or local economic conditions that correlate with defaults on the assets in the Group.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a company of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred on loans and receivables or held-to-maturity investments carried at amortized cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. If a held-to-maturity investment or a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e., on the basis of the Group's grading process that considers asset type, industry, geographical location, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows of such assets by being indicative of the issuer's ability to pay all amounts due under the contractual terms of the debt instrument being evaluated.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as improved credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

A.3.2 Assets classified as available for sale

The Group assesses at each date of the statement of financial position whether there is objective evidence that a financial asset or a company of financial assets is impaired. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is an objective evidence of impairment resulting in the recognition of an impairment loss. In this respect, a decline of 20% or more is regarded as significant, and a period of 12 months or longer is considered to be prolonged. If any such quantitative evidence exists for available-for-sale financial assets, the asset is considered for impairment, taking qualitative evidence into account.

The cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss) is removed from equity and recognised in the income statement.

Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. If in a subsequent period the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the income statement.

A.3.3 Impairment of non-financial assets

The Group assesses annually whether there is any indication that any of its assets have been impaired. If such indication exists, the asset's recoverable amount is estimated and compared to its carrying value. Where it is impossible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest cash-generating unit to which the asset is allocated. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount an impairment loss is recognized immediately in profit or loss, unless the asset is carried at a revalued amount, in which case the impairment loss is recognized as revaluation decrease.

A.3.4 Impairment of other non-financial assets

Assets that have an indefinite useful life – for example, land – are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

4. Leases

This is a new standard which replaces IAS 17 Leases, and introduces a single lessee accounting model. The main changes arising from the issue of IFRS 16 which are likely to impact the company are as follows:

- Company as lessee: Lessees are required to recognize a right-of-use asset and a lease liability for all leases, except short term leases or leases where the underlying asset has a low value, which are expensed on a straight line or other systematic basis.
- The cost of the right-of-use asset includes, where appropriate, the initial amount of the lease liability; lease payments made prior to commencement of the lease less incentives received; initial direct costs of the lessee; and an estimate for any provision for dismantling, restoration and removal related to the underlying asset.

- The lease liability takes into consideration, where appropriate, fixed and variable lease payments; residual value guarantees to be made by the lessee; exercise price of purchase options; and payments of penalties for terminating the lease.

- The right-of-use asset is subsequently measured on the cost model at cost less accumulated depreciation and impairment and adjusted for any re-measurement of the lease liability. However, right-of-use assets are measured at fair value when they meet the definition of investment property and all other investment property is accounted for on the fair value model. If a right-of-use asset relates to a class of property, plant and equipment which is measured on the revaluation model, then that right-of-use asset may be measured on the revaluation model.

- The lease liability is subsequently increased by interest, reduced by lease payments and re-measured for reassessments or modifications. Re-measurements of lease liabilities are affected against right-of-use assets, unless the assets have been reduced to nil, in which case further adjustments are recognised in profit or loss.

- The lease liability is re-measured by discounting revised payments at a revised rate when there is a change in the lease term or a change in the assessment of an option to purchase the underlying asset.
- The lease liability is re-measured by discounting revised lease payments at the original discount rate when there is a change in the amounts expected to be paid in a residual value guarantee or when there is a change in future payments because of a change in index or rate used to determine those payments.

- Certain lease modifications are accounted for as separate leases. When lease modifications which decrease the scope of the lease are not required to be accounted for as separate leases, then the lessee re-measures the lease liability by decreasing the carrying amount of the right of lease asset to reflect the full or partial termination of the lease. Any gain or loss relating to the full or partial termination of the lease is recognised in profit or loss. For all other lease modifications which are not required to be accounted for as separate leases, the lessee re-measures the lease liability by making a corresponding adjustment to the right-of-use asset.

- Right-of-use assets and lease liabilities should be presented separately from other assets and liabilities. If not, then the line item in which they are included must be disclosed. This does not apply to right-of-use assets meeting the definition of investment property which must be presented within investment property. IFRS 16 contains different disclosure requirements compared to IAS 17 leases. Company as lessor:

- Accounting for leases by lessors remains similar to the provisions of IAS 17 in that leases are classified as either finance leases or operating leases. Lease classification is reassessed only if there has been a modification.

- A modification is required to be accounted for as a separate lease if it both increases the scope of the lease by adding the right to use one or more underlying assets; and the increase in consideration is commensurate to the stand alone price of the increase in scope.

- If a finance lease is modified, and the modification would not qualify as a separate lease, but the lease would have been an operating lease if the modification was in effect from inception, then the modification is accounted for as a separate lease. In addition, the carrying amount of the underlying asset shall be measured as the net investment in the lease immediately before the effective date of the modification. IFRS 9 is applied to all other modifications not required to be treated as a separate lease.

- Modifications to operating leases are required to be accounted for as new leases from the effective date of the modification. Changes have also been made to the disclosure requirements of leases in the lessor's financial statements.

Sale and leaseback transactions:
In the event of a sale and leaseback transaction, the requirements of IFRS 15 are applied to consider whether a performance obligation is satisfied to determine whether the transfer of the asset is accounted for as the sale of an asset. If the transfer meets the requirements to be recognised as a sale, the seller-lessee must measure the new right-of use asset at the proportion of the previous carrying amount of the asset that relates to the right-of-use retained. The buyer-lessor accounts for the purchase by applying applicable standards and for the lease by applying IFRS 16.

If the fair value of consideration for the sale is not equal to the fair value of the asset, then IFRS 16 requires adjustments to be made to the sale proceeds. When the transfer of the asset is not a sale, then the seller-lessee continues to recognize the transferred asset and recognizes a financial liability equal to the transfer proceeds. The buyer-lessor recognizes a financial asset equal to the transfer proceeds. The effective date of the standard is for years beginning on or after January 1, 2019. The company adopted the standard for the first time in the 2019 annual report and financial statements. The impact of this standard is not material on the financial statements.

5. Trade receivables

Trade receivables are recognized when due. These include amounts due from agents, brokers and insurance contract holders. If there is objective evidence that the insurance receivable is impaired, the Company reduces the carrying amount of the insurance receivable accordingly and recognizes that impairment loss in the income statement. The Company first assesses whether objective evidence of impairment exists individually for receivables that are individually significant. If the company determines that no objective evidence of impairment exists for an individually assessed receivable, whether significant or not, it includes the receivable in a group of receivables with similar credit risk characteristics and collectively assesses them for impairment using the model that reflects the company’s historical outstanding premium collection ratio per sector.

6. Reinsurance assets and liabilities

These are contracts entered into by the Company with reinsurers under which the Company is compensated for losses on one or more contracts issued by the Company, and which also meets the classification requirements for insurance contracts held as reinsurance contracts. Insurance contracts entered into by the Company under which the contract holder is another insurer (inwards reinsurance) are included in insurance contracts.

The benefits to which the Company is entitled under its reinsurance contracts are recognized as reinsurance assets. These assets consist of short-term balances due from reinsurers, as well as long term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract.

In certain cases, a reinsurance contract is entered into retrospectively to reinsure a notified claim under the Company's property or casualty insurance contracts.

Where the premium due to the reinsurer differs from the liability established by the Company for the related claim, the difference is amortized over the estimated remaining settlement period.

The Company assesses its reinsurance assets for impairment. If there is objective evidence that the reinsurance asset is impaired, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognizes that impairment loss in the income statement. The Company gathers the objective evidence that a reinsurance asset is impaired using the same process adopted for financial assets held at amortized cost. The impairment loss is calculated following the same method used for these financial assets

7. Deferred acquisition costs

Acquisition costs comprise mainly of agent's commission. These costs are amortized and deferred over the terms of the related policies to the extent that they are considered to be recoverable from unearned premium.

8. Other receivables and prepayments

Receivables are stated at their original invoiced value, as the interest that would be recognized from discounting future cash receipts over the short credit period is not considered to be material. These receivables are reduced by appropriate allowances for estimated irrecoverable amounts. Interest on overdue receivables is recognized as it accrues.

1. Investment in subsidiaries

Subsidiaries are entities controlled by the parent. In accordance with IAS 10, control exists when the parent has:

I. Power over the investee
II. Exposure, or rights, to variable returns from its involvement with the investee; and
III. The ability to use its power over the investee to affect the amount of investor's returns.

Investments in subsidiaries are reported at cost less impairment (if any).

10. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

11. Intangible assets

Intangible assets acquired separately are shown at historical cost less accumulated amortization and impairment losses. Amortization is charged to profit or loss on a straight-line basis over the estimated useful lives of the intangible asset unless such lives are indefinite. These charges are included in other expenses in profit or loss. Intangible assets with an indefinite useful life are tested for impairment annually.

Amortization periods and methods are reviewed annually and adjusted if appropriate.
The class of the intangible assets recognised by the company and its amortisation rates are as follows:

	Rate
Computer software	15%

12. Property and equipment

12.1 Recognition and Measurement

All property and equipment are stated at historical cost less accumulated depreciation less accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Land and Building shall be measured using the revaluation model. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Buildings	-	2%
Furniture & fittings	-	15%
Computers	-	15%
Motor vehicles	-	20%
Office equipment	-	15%

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. The assets' residual values and useful lives are reviewed at the end of each reporting period and adjusted if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable value.
Gains and losses on disposals are determined by comparing the proceeds with the carrying amount, these are included in the income statement in operating income.

The Group reviews the estimated useful lives of property and equipment at the end of each reporting period.

12.2 Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is re-measured to fair value and reclassified as investment property. Any gain arising on re-measurement is recognized in income statement to the extent the gain reverses a previous impairment loss on the specific property, with any remaining gain recognized in other comprehensive income and presented in the revaluation reserve in equity.

Any loss is recognized in other comprehensive income and presented in the revaluation reserve in equity to the extent that an amount had previously been included in the revaluation reserve relating to the specific property, with any remaining loss recognized immediately in income statement.

13. Statutory Deposit

Statutory deposit represents 10% of the minimum paid-up capital of the Company deposited with the Central Bank of Nigeria CBN) in pursuant to Section 10(3) of the Insurance Act, 2003. Statutory deposit is measured at cost.

14. Insurance Contract Liabilities

In accordance with IFRS 4, the company has continued to apply the accounting policies it applied in accordance with Pre-changeover Nigerian GAAP subject to issue of Liability adequacy test (note14.4).Balances arising from insurance contracts primarily includes unearned premium, provisions for outstanding claims and adjustment expenses, re-insurers share of provision for unearned premium and outstanding claims and adjustment expenses, deferred acquisition costs, and salvage and subrogation receivables.

14.1 Reserves for unearned premium

In compliance with Section 20 (1) (a) of Insurance Act 2003, the reserve for unearned premium is calculated on a time apportionment basis in respect of the risks accepted during the year.

14.2 Reserves for outstanding claims

The reserve for outstanding claims is maintained at the total amount of outstanding claims incurred and reported plus claims incurred but not reported ("IBNR") as at the balance sheet date. The IBNR is based on the liability adequacy test.

14.3 Reserves for unexpired risk

A provision for additional unexpired risk reserve (AURR) is recognized for an underwriting year where it is envisaged that the estimated cost of claims and expenses would exceed the unearned premium reserve (UPR)".

14.4 Liability adequacy test

At each reporting date, the company performs a liability adequacy test through an Actuary on its insurance contract liabilities less deferred acquisition costs to ensure the carrying amount is adequate, If the estimate shows the carrying amount of liabilities is inadequate, any deficiency is recognized as an expense to the income statement initially by
writing off the deferred acquisition expense and subsequently by recognizing an additional claims liability for claims provisions.

15. Investment Contract Liability

Investment contracts are those contracts that transfer financial risk with no significant insurance risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

The Group enters into investment contracts with guarantee returns and other businesses of savings nature. Those contracts are termed investment contract liabilities and are initially measured at fair value and subsequently at amortised cost. Finance cost on investment contract liabilities is recognised as an expense in profit or loss using the effective interest rate.

16. Retirement benefits obligations

16.1 Defined contribution plan

The Group runs a defined contribution plan in line with the Pension Reform Act Amended 2014. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The rate of contribution by the Group and its employee is 10% and 8% respectively of basic salary, housing and transport allowance. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Under the defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expenses when they are due.

Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

17. Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Equity instruments issued are recorded at the value of proceeds received, net of costs directly attributable to the issue of the instruments. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

18. Share premium

Share premium is the excess amount over the par value of the shares. This is classified as equity when there is no obligation to transfer cash or other assets. The proceeds received are recorded as net of costs. This reserve is not ordinarily available for distribution.

19. Contingency reserve

In compliance with Section 21 (2) of Insurance Act 2003, the contingency reserve is credited with the greater of 3%of total premiums, or 20% of the net profits. This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium.

20. Statutory reserve

In line with Central Bank of Nigeria guideline, Finance companies in Nigeria are required to transfer a minimum of 15% of its profit before tax to statutory reserve until the reserve fund equals the Paid-up Capital and a minimum of 10% thereafter. This applies to Grand Treasurers Limited, a subsidiary within the group.

21. Regulatory risk reserve

The Subsidiary (Grand Treasurers Ltd) determines its loan loss provisions based on the requirements of IFRS. The difference between the loan loss provision as determined under Nigerian Prudential guideline (as prescribed by the Central Bank of Nigeria) is recorded in this reserve. This reserve is non distributable.

22. Dividend distribution

Dividend distribution to the Group's shareholders is recognized as a deduction in the revenue reserve in the year in which the dividend is approved by the Company's shareholders.

23. Revenue recognition

23.1 Premium

Written premium for non-life (general insurance) business comprises the premiums on contract incepting in the financial year. Written premium are stated at gross of commissions payable to intermediaries. Unearned premiums are those portions of the premium, which relates to periods of risks after the balance sheet date. Unearned premiums are prorated evenly over the term of the insurance policy. The portion of the premium related to the unexpired portion of the policy at the end of the fiscal year is reflected in the unearned premium.

a) Gross premium

Gross premium is recognized at the point of attachment of risk to a policy before deducting cost of reinsurance.

b) Gross premium earned

Gross premium earned is the written premium recognized after adjusting for the unearned portion of the premium.

a) Unearned premium

This is the portion of the gross premium on the insurance contract, determined on a contract by contract basis, which is deemed to be relating to the risk for period not falling within the current accounting year. This is carried forward to the next accounting period as unearned premium.

b) Net premium

Net premium represents gross premium earned less reinsurance costs.

c) Reinsurance premium

Reinsurance premium is the ceding to a reinsurance part of a risk or liability accepted in order to ensure greater and reduced liability on the part of the company. The outward reinsurance premium relating to earned premiums are recognized as outflow in accordance with the reinsurance services received.

23.2 Reinsurer's share of unearned premium

Reinsurer's share of unearned premium is recognized as an asset using principles consistent with the company's method for determining the unearned premium liability.

24. Expenses

a) Reinsurance cost
This represents the outward reinsurance premium paid to reinsurance companies less the unexpired portion as at the end of the current accounting year.
The reinsurance cost is charged to the underwriting revenue account while the unexpired portion is shown as prepaid reinsurance costs, on asset, on the balance sheet.

b) Reinsurance recoveries
Reinsurance recoveries represents that portion of claims paid or payable on risks ceded out to reinsurance companies on which recoveries are received or receivable from the reinsurer.

The recoveries are applied to reduce the gross claims incurred on the underwriting revenue account.

c) Prepaid reinsurance cost
This is the unexpired reinsurance cost determined on a time apportionment basis and is reported under other asset on the balance sheet.

d) Gross claims paid
This is the direct claims payments during the year plus reinsurance claims paid, if any.

e) Gross claims incurred
The is made up of claims and claims handling expenses paid during the financial year after adjusting for the movement it the prevision for outstanding claims and claims incurred but not reported (IBNR).

a) Net claims incurred
This is gross claims incurred after adjusting for reinsurance claims recoveries.
All claims paid and incurred are charged against the underwriting revenue account as expense wren Incurred. Reinsurance recoveries are recognized when the company records the liability for the claims.
Anticipated reinsurance recoveries on claims ore disclosed separately as assets.

f) Management expenses
Management expenses are expenses other than claims, investments and underwriting expenses. They include salaries, depreciation charges and other administrative but non-operating expenses. They are accounted for on or accrual basis and are charged to the profit and loss account in the year in which they were incurred.

Provision for unpaid claims and adjustment expenses
Individual loss estimates are provided on each claims reported. In addition, provisions are made for adjustment expenses, changes in reported claims, and for claims incurred but not reported, based on past experience and business in force.
The estimates are regularly reviewed and updated, and any resulting adjustments are included in the current income.

25. Salvage and subrogation recoverable

In the normal course of business, the company obtains ownership of damaged properties, which they resell to various salvage operators. Unsold property is valued at its estimated net realizable value.

Where the company indemnifies policyholders against a liability claim, it acquires the right to subrogate its claims against other parties. These claims are reflected at amounts expected to be received from the subrogated parties net of related costs.

26. Fees and commission income

Fees and commissions consist primarily of reinsurance commission and other contract fees. All other fee and commission income is recognized as services are provided.

27. Investment income

Investment income consists of dividend, interest income. Dividends are recognized only when the group's right to payments is established.

27.1 Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the assets carrying amount

27.2 Other operating income

Other operating income is made up of rent income, profit on disposal of fixed assets, profit or loss on disposal of investment, exchange gain or loss and other line of income that are not investment income.

27.3 Realized gains and losses

The realized gains or losses on the disposal of an investment is the difference between proceeds received, net of transaction costs and its original or amortized costs as appropriate.

28. Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit (loss), it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the Group controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities, where there is an intention to settle the balances on a net basis.

29. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

30. Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At the reporting date, unsettled monetary assets and liabilities are translated into the Group's functional currency by using the exchange rate in effect at the year-end date.
Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at exchange rates of monetary assets and liabilities denominated in currencies other than the group's functional currency are recognized in the consolidated income statement.

31. Unclaimed dividend

Unclaimed dividend are amounts payable to shareholders in respect of dividend previously declared by the Group which have remained unclaimed by the shareholder in compliance with section 385 of the Companies and Allied Matters Act (Cap C20) laws of the Federation of Nigeria 2004. Unclaimed dividends are transferred to general reserves after twelve years.

32. Earnings per share

The Group presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of shares outstanding during the year.

33. Borrowings

These are financial liabilities that mature within 12months of the balance sheet date. Borrowings inclusive of transaction cost are recognize initially at fair value. Borrowings are subsequently stated at amortized cost using the effective interest rate method; any difference between proceeds and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest rate method.

ADDITIONAL NOTES TO THE ACCOUNT

1. Accounting Policy Changes

There was no change in the accounting Policy of the Group during the quarter ended 30 September 2022

2. Seasonality or Cyclicality of Operations

The business of Insurance is not subject to seasonality or cyclicality.

3. Unusual items

There were no unusual or exceptional items during the period.

4. Changes in estimates

The budget estimates for the period and the quarter had not changed.

5. Issuance, Repurchases, and Repayment of debts and equity securities

The Group did not have debt security and did not issue, repurchase or repay equity securities during the period.

6. Segment information

The Accounts of the Group is not affected by IAS 14 on segment accounting.

7. Significant Events after the end of the interim Period

There were no significant events after the end of the interim report materially affecting the report of the period.

8. Business Combination

The Accounts of the Group is not affected by accounting for business combination.

9. Long Term Investment

The Group's long term investment amounted to N 1,330,376,470 as at the quarter ended 30 September 2022.

10. Restructuring and Reversals of Restructuring Provisions

The account for the quarter did not contain restructuring provision or its reversal.

11. Discontinuing Operation

This did not apply to the Group.

12. Correction of Prior Period Errors

This did not apply to the Group.

13. Write Down of Inventory to Net Realizable Value

The Inventory of the Group was not written down to NRV during the period.

14. Impairment loss of Property, Plant, Equipment, Intangible and other assets and reversal of such impairment loss

Depreciation charge on Property, Plant, Equipment during the period was: ₦ 114,594,747.72.

Write off on Recapitalization Cost during the period was Nil

There was no reversal of impairment loss during the period.

15. Litigation Settlement

There were no litigation settlements during the period.

16. Any debt default or any breach of a debt covenant that has not been corrected subsequently

There was no debt default or breach of debt covenant during the period.

17. Acquisitions and disposals of Property, Plant and Equipment

Acquisition of Property, Plant and Equipment during the period was: ₦ 80,158,968.50
Disposal of Property, Plant and Equipment during the period was: ₦ Nil

18. Commitments to Purchase Property, Plant and Equipment

There are no commitments to Purchase Property, Plant and Equipment during the period.

CONSOLIDATED HALLMARK INSURANCE PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 30 SEPT 2022

	Notes	Group 30 SEPTEMBER 2022 N	31 December 2021 N
Assets			
Cash and cash equivalents	**2.0**	**4,308,237,413**	2,857,075,239
Financial assets:	**3.0**	**6,362,843,175**	5,290,556,583
Non current assets held for sale	**4.**	**115,400,000**	
Finance lease receivables	**5.0**	**228,026,413**	148,741,442
Trade receivables	**6.0**	**814,004,157**	601,620,155
Reinsurance assets	**7.0**	**3,944,500,895**	3,410,440,180
Deferred acquisition cost	**8.0**	**475,323,859**	397,546,015
Other receivables & prepayments	**9.0**	**277,394,435**	222,692,503
Investment in subsidiaries	**10.0**	**-**	-
Intangible Assets	**11.0**	**73,529,805**	76,702,920
Investment properties	**12.0**	**1,330,376,470**	1,098,676,470
Property and equipment	**13.0**	**1,126,772,348**	1,163,708,129
Right-of-Use of Assets (Leased Assets)	**13.3**	**3,742,494**	6,406,590
Statutory deposits	**14.0**	**400,000,000**	400,000,000
Total assets		**19,460,151,464**	**15,674,166,226**
Liabilities			
Insurance contract liabilities	**15.0**	**7,341,686,645**	5,474,050,401
Investment contract liabilities	**15.5**	**13,319,344**	17,660,923
Trade payables	**16.0**	**246,516,477**	46,805,158
Borrowing	**17.0**	**1,044,081,824**	55,800,014
Other payables and provision	**18.0**	**463,827,089**	343,540,593
Retirement benefit obligations	**19.0**	**2,298,031**	2,075,682
Income tax liabilities	**21.0**	**630,079,920**	462,785,844
Deferred tax liabilities	**22.0**	**254,780,007**	259,663,907
Total liabilities		**9,996,589,337**	6,662,382,522
Equity and reserves			
Issued and paid up share capital	**23.1**	**5,420,000,000**	5,420,000,000
Share Premium	**24.0**	**168,933,834**	168,933,834
Contingency reserve	**25.1**	**2,713,757,811**	2,437,638,438
Fair Value Through OCI Reserve	**25.3**	**30,615,728**	30,615,728
Statutory reserve	**25.2**	**114,295,820**	72,039,762
Revaluation Reserve	**25.4**	**115,793,288**	115,793,288
Requlatory risk reserve	**25.5**		1,354,214
Retained earnings	**26.0**	**900,165,646**	765,408,440
Total equity and reserves		**9,463,562,127**	9,011,783,704
Total liabilities and equity and reserves		**19,460,151,464**	15,674,166,226

The consolidated financial statements were approved by the Board of Directors on October 29, 2022

Obinna Ekezie
Chairman
FRC/2017/IODN/00000017485

Eddie A. Efekoha
Managing Director
FRC/2013/CIIN/00000002189

Babatunde Daramola
Chief Financial Officer
FRC/2012/ICAN/00000000564

CONSOLIDATED HALLMARK INSURANCE PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD JAN 1ST - SEPTEMBER 2022

		Group			
	Notes	**30 SEPTEMBER 2022 N**	**July- September 2022 N**	30 SEPTEMBER 2021 N	July- September 2021 N
Gross premium written		**9,754,163,542**	**2,854,972,621**	8,356,056,920	2,270,706,670
Gross premium income	**27.00**	**9,082,031,977**	**2,845,207,130**	7,952,569,063	2,176,661,620
Reinsurance premium expenses	**28.00**	**(3,775,622,752)**	**(1,465,351,322)**	(3,348,939,587)	(895,081,390)
Net premium income		**5,306,409,225**	**1,379,855,809**	4,603,629,476	1,281,580,230
Fee and commission income	**29.00**	**607,768,639**	**189,999,822**	212,714,703	(51,734,581)
Net underwriting income		**5,914,177,864**	**1,569,855,631**	4,816,344,179	1,229,845,648
Claims expenses	**30a**	**(4,534,094,395)**	**(1,844,126,804)**	(2,750,152,883)	(433,012,063)
Claims recoveries from reinsurers	**30b**	**2,394,751,588**	**1,262,602,748**	1,084,697,909	(199,386,668)
Claims incurred		**(2,139,342,807)**	**(581,524,057)**	(1,665,454,974)	(632,398,731)
Underwriting expenses		**(2,014,252,835)**	**(649,344,582)**	(1,637,302,755)	(359,280,421)
Underwriting profit		**1,760,582,222**	**338,986,994**	1,513,586,450	238,166,495
Investment income	**32.00**	**1,016,404,920**	**353,077,900**	868,288,112	295,199,059
Other operating income	**33.00**	**225,872,359**	**103,921,822**	293,273,115	164,225,288
Impairment (charge)/write back	**34.00**	**102,280,824**	**(7,630,968)**	(10,495,132)	4,604,030
Net fair value gains on financial assets at fair value through profit or loss	**35.00**	**(114,411,123)**	**1,824,334**	(135,573,512)	(18,953,453)
Management expenses	**36.00**	**(2,068,247,412)**	**(636,972,103)**	(1,759,551,623)	(518,836,986)
Profit before taxation		**922,481,790**	**153,207,978**	769,527,410	164,404,432
Income tax expense	**20.00**	**(254,477,327)**	**(51,300,382)**	(235,081,284)	(66,438,780)
Profit after taxation		**668,004,463**	**101,907,596**	534,446,127	97,965,651
Other comprehensive income/(loss) net of tax					
Items that will be reclassified subsiquently to profit or loss		**-**	-	-	-
Items that will not be reclassified subsiquently to profit or		**-**	-	-	-
Total other comprehensive income		**-**	-	-	-
Total comprehensive income for the year		**668,004,463**	101,907,596	**534,446,127**	97,965,651
Profit attributable to:		**-**	-	-	-
Equity holders of the parents'		**668,004,463**	101,907,596	534,446,127	97,965,651
		-			
Profit transferred to revenue reserve		**668,004,463**	101,907,596	534,446,127	97,965,651
Basic and diluted earnings per share (Kobo)	**37.00**	**6.16**		4.93	

CONSOLIDATED HALLMARK INSURANCE PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPT 2022

The Group

	Issued share capital N	Share Premium	Contingency reserves N	Fair Value Through OCI Reserve N	Revaluation Reserve N	Statutory reserve N	Regulatory risk reserve N	Retained earnings N	Total equity N
At 1 January 2021	5,420,000,000	168,933,834	2,136,621,663			45,964,378		550,078,221	8,321,598,096
Changes in equity for 2021:									
Profit for the period	-	-	-			-		534,446,130	534,446,130
Other comprehensive income for the period	-		-			-		-	-
Total comprehensive loss for the period	-	-	-			-		534,446,130	534,446,130
Transactions with owners:									
Transfer within reserves	-		239,257,722			22,593,830		(261,851,553)	-
Dividends relating to prior periods paid during the year	-	-						-	-
Dividends relating to prior periods paid during the march	-		-			-		(216,800,050)	(216,800,050)
Non-controlling interest arising on business combination									-
	-		-			-		-	-
Contribution by and to owners of the business	-	-	239,257,722			22,593,830		(478,651,603)	(216,800,050)
At September 2021	5,420,000,000	168,933,834	2,375,879,385			68,558,208		605,872,748	8,639,244,175
At 1 January 2022	5,420,000,000	168,933,834	2,437,638,438	30,615,728	115,793,288	72,039,762	1,354,214	765,408,441	9,011,783,704
Changes in equity for 2022:								574,011	
Profit for the period	-	-	-			-		668,004,463	668,004,463
Other comprehensive income for the period	-		-			-		-	-
Total comprehensive loss for the period	-	-	-		-	-		668,578,474	668,004,463
Transactions with owners:								-	
Transfer within reserves	-		276,119,374			42,256,058	(1,354,214)	(317,021,218)	1,354,214
Addition	-	-		-				-	-
Dividends relating to prior periods paid during the march	-		-			-		(216,800,050)	(216,800,050)
Non-controlling interest arising on business combination									-
	-		-			-		-	-
Contribution by and to owners of the business	-	-	276,119,374	-	-	42,256,058	(1,354,214)	(533,821,268)	(215,445,836)
At September 2022	**5,420,000,000**	**168,933,834**	**2,713,757,812**	**30,615,728**	**115,793,288**	**114,295,820**	**0**	**900,165,646**	**9,463,562,127**

CONSOLIDATED HALLMARK INSURANCE PLC

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPT 2022

	Notes	Group 30 SEPTEMBER 2022 N	 30 SEPTEMBER 2021 N
Cash flows from operating activities			
Premium received from policy holders	6.1	**9,541,779,540**	8,473,903,179
Reinsurance receipts in respect of claims		**1,733,020,815**	980,163,491
Commission received	29	**607,768,639**	95,215,303
Other operating receipts	-	**1,222,741,966**	293,273,115
Cash paid to and on behalf of employees	36a	**(668,848,106)**	(557,885,814)
Reinsurance premium paid	16	**(3,566,422,982)**	(3,544,765,067)
Claims paid	30a	**(3,318,708,805)**	(2,702,811,644)
Commission expenses	8	**(1,489,490,367)**	(918,316,793)
Maintainance expenses	31	**(602,540,312)**	(546,023,516)
Other operating cash payments		**(1,278,364,443)**	(1,276,207,045)
Company income tax paid	21.2	**(92,067,151)**	(68,954,185)
Net cash (used in)/ from operating activities		**2,088,868,794**	227,591,024
Cash flows from investing activities			
Purchase of property and equipment	13	**(80,158,969)**	(81,572,330)
Purchase of intangible asset	11	**(3,267,000)**	(628,571)
Fair value change and additions to investment properties	12	**(181,700,000)**	(231,850,000)
Proceeds from sale of Investment properties		**-**	90,070,324
Proceeds from sale of property and equipment	13	**6,894,722**	3,806,929
Purchase of financial assets		**(2,647,980,649)**	(1,279,855,432)
Proceeds from sale of financial assets		**1,049,866,743**	335,472,636
Dividend received	32	**149,432,630**	86,094,735
Rental Income received	32	**24,885,334**	6,498,667
Interest received	32	**323,547,160**	775,694,711
Net cash from investing activities		**(1,358,480,029)**	(296,268,332)
Cash flows from financing activities			
Proceeds on private placemant		**-**	-
Proceeds from borrowing	17	**1,059,284,700**	93,849,334
Payment on borrowing (principal & Interest)	17	**(121,711,241)**	57,786
Dividend paid	26	**(216,800,050)**	(216,800,050)
Net cash used in financing activities		**720,773,409**	(122,892,930)
Increase in cash and cash equivalents		**1,451,162,174**	(191,570,237)
Cash and cash equivalents at beginning		**2,955,763,754**	3,088,191,455
Cash and cash equivalent at the end	2	**4,406,925,928**	2,896,621,218

The accompanying notes form an integral part of this statement of cash flows.

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

1. Corporate information

1.1 The Group

The group comprises of Consolidated Hallmark Insurance Plc and its subsidiaries - CHI Capital Ltd, CHI Micro-Insurance Ltd, Grand

Treasurers Limited and Hallmark Health Services Ltd. CHI Capital Ltd also has a wholly owned subsidiary,CHI Support Services Ltd.

1.2 The Company

Consolidated Hallmark Insurance Plc (formerly Consolidated Risk Insurers Plc) was incorporated on 2 August 1991. The Company changed its name from Consolidated Risk Insurers Plc to Consolidated Hallmark Insurance Plc following its merger with Hallmark Assurance Plc and The Nigerian General Insurance Company Limited in line with the consolidation reform of NAICOM announced in 2006. Consolidated Hallmark Insurance Plc came into effect from 1 March 2007.

1.3 Principal activities

During the year under review, the Group engaged in general insurance business and maintained offices in major cities in Nigeria with Corporate headquarters at 266 Moshood Abiola way (formerly Ikorodu Road), Lagos. The principal activities of the subsidiaries are portfolio management, short term lending, equipment leasing, provision of Health management services and microinsurance life business.

		Group		Company	
		30 SEPTEMBER 2022	31 December 2021	**30 SEPTEMBER 2022**	31 December 2021
		N	N	**N**	N
2.	**Cash and cash equivalents**				
	Cash in hand	**9,657,230**	17,233,925	**9,657,230**	17,233,925
	Balance with banks	**2,003,284,898**	1,235,172,472	**1,012,150,066**	420,923,109
	Call deposits	**32,013,990**	11,267,223	**32,013,990**	11,267,223
	Fixed deposits (Note 2.1)	**2,361,969,810**	1,692,090,134	**2,361,969,810**	1,692,090,134
		4,406,925,928	2,955,763,754	**3,415,791,096**	2,141,514,391
	Impairment charge (Note 2.2)	**(98,688,515)**	(98,688,515)	**(97,209,096)**	(97,209,096)
		4,308,237,413	2,857,075,239	**3,318,582,000**	2,044,305,295

2.1 The Fixed deposits have a short term maturity of 30-90 days and the effect of discounting is immaterial.

2.2	**Impairment charge**				
	At 1 January	**98,688,515**	92,722,923	**97,209,096**	92,722,923
	Ifrs 9 opening figure adjustment	**-**	4,391,994	**-**	3,613,504
	Credit loss on fixed deposit (IFRS 9)	**-**	1,573,598	**-**	872,669
	At September 2022	**98,688,515**	98,688,515	**97,209,096**	97,209,096

The impairment charge of N92,722,593 as at January 1, 2020 resulted from a fixed deposit of N100million with a mortgage bank in 2018 that went into a default in 2019 and had to be impaired in line with standard accounting practice and regulatory requirement. The company has taken necessary steps to recover the fund, including an ongoing court process and there is a positive indication that the fund will be recovered.

3.	**Financial assets**				
	At fair value through profit or loss (Note 3.1)	**715,280,506**	988,259,728	**690,798,006**	977,972,694
	At Amortised cost (Note 3.2)	**5,528,728,338**	4,183,462,524	**3,180,018,536**	2,832,142,511
	At fair value through OCI (Note 3.3)	**118,834,331**	118,834,331	**116,712,998**	116,712,998
	Loans and Receivables (Note 3.4)	**-**	-	**-**	-
	Available for sale (Note 3.6)	**-**	-	**-**	-
	Held to maturity (Note 3.5)	**-**	-	**-**	-
		6,362,843,175	5,290,556,583	**3,987,529,540**	3,926,828,203
	Movement in Financial Assets				
	Opening	**5,290,556,583**	4,428,386,704	**3,926,828,203**	3,683,146,676
	Addition	**1,891,996,901**	2,941,522,447	**500,323,646**	1,582,048,547
	Disposal	**(1,049,866,743)**	(2,189,231,793)	**(500,939,357)**	(1,522,762,958)
	Interest Capitalised	**239,923,637**	318,668,456	**239,923,637**	318,668,456
	Impairment (note 34)	**103,379,925**	(67,242,888)	**-**	(225,717)
	Opening impaiment adjustment	**-**	(27,111,619)	**-**	(15,912,608)
	Opening Fair value gains through OCI adjustment	**-**	20,516,631	**-**	20,516,631
	Fair value (loss)/ gains	**(164,411,123)**	(159,457,854)	**(178,606,589)**	(163,235,988)
	Fair value gains through OCI	**-**	24,506,497	**-**	24,585,164
	Closing	**6,362,843,175**	5,290,556,583	**3,987,529,540**	3,926,828,203

3.1	**At fair value through profit or loss**				
	At 1 January	**1,088,611,153**	719,660,969	**1,079,986,078**	711,035,894
	Additions	**-**	368,950,184	**-**	368,950,184
	Disposals	**(108,568,099)**	-	**(108,568,099)**	-
		980,043,054	1,088,611,153	**971,417,979**	1,079,986,078
	Fair value (loss) (Note 35a)	**(264,762,548)**	(100,351,425)	**(280,619,973)**	(102,013,384)
	At September 2022	**715,280,506**	988,259,728	**690,798,006**	977,972,694
	Current	**715,280,506**	988,259,728	**690,798,006**	977,972,694
	Non Current	-	-	-	-

Financial assets at fair value through profit or loss of the group represents investment where there is a ready and liquid quoted market, which are acquired for the purpose of short-term trade, and where mark-to-market valuations are possible on every trading day. Assets under this category have been acquired by management with the intent of short term trading.

		Group		Company	
		30 SEPTEMBER 2022	December 2021	**30 SEPTEMBER 2022**	December 2021
		N	N	**N**	N
3.2	**Amortised Cost**				
	Staff loans (Note 3.2.1a)	**217,332,972**	218,854,849	**210,200,778**	218,854,849
	Loan issued to corporate individuals (Note 3.2.1b)	**2,348,709,801**	1,351,264,168	**7,188,038**	-
	Debts Instrument (Note 3.2.4)	**2,962,685,564**	2,613,343,506	**2,962,629,720**	2,613,287,662
		5,528,728,337	4,183,462,523	**3,180,018,536**	2,832,142,511
	Current	**5,273,833,458**	4,031,547,569	**3,076,818,506**	2,728,942,482
	Non Current	**254,894,879**	151,914,955	**103,200,030**	103,200,030
3.2.1a	**Staff loans**				
	At 1 January	**223,079,916**	211,045,461	**223,079,916**	211,045,461
	Addition	**14,532,193**	36,212,000	**7,400,000**	36,212,000
	Repayment	**(16,054,071)**	(24,177,545)	**(16,054,071)**	(24,177,545)
		221,558,039	223,079,916	**214,425,845**	223,079,916
	Impairment on Loans & Receivable(Note 3.2.1ai)	**(4,225,067)**	(4,225,067)	**(4,225,067)**	(4,225,067)
	Closing	**217,332,972**	218,854,849	**210,200,778**	218,854,849
3.2.1ai	**Impairment on Loans & Receivable**				
	Opening	**4,225,067**	-	**4,225,067**	-
	IFRS 9 opening figure adjustment	**-**	3,997,138	**-**	3,997,138
	Credit loss (IFRS 9)	**-**	227,929	**-**	227,929
	Closing	**4,225,067**	**4,225,067**	**4,225,067**	4,225,067
3.2.1b	**Loan issued to corporate / individuals**				
	At 1 January	**1,552,789,443**	859,784,377	**-**	-
	Addition	**1,391,729,100**	1,359,473,900	**7,188,038**	-
	Bad debts written off	**51,663,995**	-	**-**	-
	Repayment	**(548,927,385)**	(666,468,834)	**-**	-
		2,447,255,152	1,552,789,443	**7,188,038**	-
	Impairment on loans issued to corporate and individuals (Note 3.2.4)	**(98,545,351)**	(201,525,275)	**-**	-
	At the end	**2,348,709,801**	1,351,264,168	**7,188,038**	-
3.2.2	**Analysis by performance:**				
	Performing (Note 3.2)	**5,528,728,337**	4,183,462,523	**3,180,018,536**	2,832,142,512
	Non-performing (Note 3.2.4)	**98,545,351**	201,525,275	**-**	-
		5,627,273,688	4,384,987,798	**3,180,018,536**	2,832,142,512
3.2.3	**Analysis by maturity:**				
	Due within one year	**5,273,833,458**	4,031,547,569	**3,076,818,506**	2,728,942,482
	Due within one - five years	**353,440,230**	353,440,230	**103,200,030**	103,200,030
	Due after five years	**-**	-	**-**	-
		5,627,273,688	4,384,987,799	**3,180,018,536**	2,832,142,512

		Group		**Company**	
		30 SEPTEMBER 2022	31 December 2021	**30 SEPTEMBER 2022**	December 2021
		N	N	**N**	N
3.2.4	**Debts Instrument**				
	At 1 January	**2,625,200,920**	2,629,694,266	**2,625,200,920**	2,629,694,266
	At initial recognition - additions	**485,735,608**	1,175,423,612	**485,735,608**	1,175,423,612
		3,110,936,528	3,805,117,878	**3,110,936,528**	3,805,117,878
	Disposal	**(311,344,646)**	(1,476,857,811)	**(311,344,646)**	(1,476,857,811)
	Interest received	**(64,972,542)**	(21,727,603)	**(64,972,542)**	(21,727,603)
	Amortised interest	**239,923,637**	318,668,456	**239,923,637**	318,668,456
		2,974,542,978	2,625,200,920	**2,974,542,978**	2,625,200,920
	Impairment (note 3.2.4a)	**(11,857,413)**	(11,857,413)	**(11,913,258)**	(11,913,258)
	At the end	**2,962,685,564**	2,613,343,507	**2,962,629,720**	2,613,287,662

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3.2.4a Movement on Impairment

Opening	**11,857,413**	-	**11,913,258**	-
IFRS 9 opening figure adjustment	**-**	11,859,625	**-**	11,915,470
movement	**-**	(2,212)	**-**	(2,212)
Closing	**11,857,413**	11,857,413	**11,913,258**	11,913,258

a) Debts Instruments are analysed as follows:

Debts securities				
Listed	**2,974,542,978**	2,625,200,920	**2,974,542,978**	2,625,200,920
Unlisted	**-**	-	**-**	-
At the end	**2,974,542,978**	2,625,200,920	**2,974,542,978**	2,625,200,920
Current	**161,359,558**	17,421,398	**161,359,558**	17,421,398
Non-current	**2,813,183,420**	2,607,779,522	**2,813,183,420**	2,607,779,522
	2,974,542,978	2,625,200,920	**2,974,542,978**	2,625,200,920

b) At the reporting date, no held to maturity assets were past due or impaired

NIGERIAN AVIATION HANDLING CO FIXED RATE BOND SERIES2 NOV 27,2020	**50,818,227**	48,237,816	**50,818,227**	48,237,816
FCMB NGN SERIES 2 BOND 2015/2020	**21,290,630**	22,487,874	**21,290,630**	22,487,874
FCMB NGN SERIES 3 BOND 2016/2023	**202,640,677**	206,594,101	**202,640,677**	206,594,101
C&I LEASING SERIES 1 BOND 2018/2023	**112,008,154**	108,276,373	**112,008,154**	108,276,373
LAPO MFB SERIES 2 BOND 2020/2025	**105,484,932**	101,332,055	**105,484,932**	101,332,055
DANGOTE BOND SERIES 1 2020/2025	**119,949,719**	116,300,127	**119,949,719**	116,300,127
AXXELA SERIES 1 BOND 2020/2027	**461,747,719**	439,880,800	**461,747,719**	439,880,800
FGN BOND (2020/2050) CORDROS	**106,406,809**	102,864,580	**106,406,809**	102,864,580
FGN BOND (2020/2050) CORDROS	**264,442,325**	252,739,296	**264,442,325**	252,739,296
FGN BOND (2020/2050) PLANET CAPITAL	**363,870,613**	343,329,875	**363,870,613**	343,329,875
FGN BOND (2020/2024) MERISTEM	**209,011,075**	215,647,718	**209,011,075**	215,647,718
FGN BOND (2020/2035) PLANET CAPITAL	**577,486,232**	470,106,534	**577,486,232**	470,106,534
FGN BOND (2020/2037) PLANET CAPITAL	**195,157,099**	-	**195,157,099**	-
8.625% FBN EUROBOND (2020/2050) FIRST ALLY	**22,869,210**	-	**22,869,210**	-
ACCESS BANK COMMERCIAL PAPER	**161,359,558**	17,421,398	**161,359,558**	17,421,398
TREASURY BILLS 9.75% APRIL 28,2021 APEL ASSET LIMITED - 364 DAYS	**-**	53,355,396	**-**	53,355,396
	-	126,626,977	**-**	126,626,977
At the end	**2,974,542,978**	2,625,200,920	**2,974,542,978**	2,625,200,920

3.2.4 Movement in impairment - loans and receivables :

At 1 January	**201,525,276**	123,253,249	**-**	-
IFRS 9 opening figure adjustment	**-**	11,254,856		
Addition (Note 34)	**17,020,075**	67,017,171	**-**	-
Impairment written off	**(120,000,000)**	-	**-**	-
At the end	**98,545,351**	201,525,276	**-**	-

3.3 At fair value through OCI

Opening	**118,834,331**	72,348,451	**116,712,998**	70,148,451
IFRS 9 opening adjustment	**-**	20,516,631	**-**	20,516,631
Addition	**-**	1,462,752	**-**	1,462,752
Fair value gain	**-**	24,506,497	**-**	24,585,164
At the end	**118,834,331**	118,834,331	**116,712,998**	**116,712,998**
Current	-	-	-	-
Non Current	**118,834,331**	118,834,331	**116,712,998**	116,712,998

At fairvalue through Other Comrehensive Income (FVTOCI) assets are the unquoted equity securities of the group and are fair valued using net asset method.

Fairvalue Through OCI equities is analysed as follows:

3.4 Loans and receivables

Staff loans (Note 3.4a)	**-**	-	**-**	-
Loan issued to corporate individuals (Note 3.4b)	**-**	-	**-**	-
	-	-	**-**	-

3.4a	**Staff loans**				
	At 1 January	-	211,045,461	-	211,045,461
	Addition	-	-	-	-
	Repayment	-	-	-	-
	Reclassified to Amortised cost	-	(211,045,461)	-	(211,045,461)
		-	-	-	-

3.4b	**Loan issued to corporate / individuals**				
	At 1 January	-	859,784,377	-	-
	Addition	-	-	-	-
	Bad debts written off	-	-	-	-
	Repayment	-	-	-	-
		-	859,784,377	-	-
	Reclassified to Amortised cost	-	**(859,784,377)**		
	Impairment on loans issued to corporate and individuals (Note 3.2.4)	-	-	-	-
	-	-	-	-	-

3.5	**Held to maturity**				
	At 1 January	-	2,629,694,266	-	2,629,694,266
	At initial recognition - additions	-	-	-	-
		-	2,629,694,266	-	-
	Disposal	-	-	-	-
	Interest received	-	-	-	-
	Amortised interest	-	-	-	-
		-	2,629,694,266	-	2,629,694,266
	Reclassified to Amortised cost	-	(2,629,694,266)	-	(2,629,694,266)
	At the end	-	-	-	-

3.6	**Available for sale assets**				
	At 1 January	-	72,348,451	-	**70,148,451**
	Addition				
	Reclassified to amortised cost	-	(72,348,451)	-	**(70,148,451)**
	At the end	-	-	-	-
	Current	-	-	-	-
	Non Current	-	-	-	-

These are commercial papers issued by Institutions with a minimum credit rating of bbb quoted on The Nigerian Exchange Limited or/and FMDQ.

4.0	**Non current assets held for sale**				
	Opening	-	-	-	-
	movement	115,400,000	-	-	-
	Closing	115,400,000	-	-	-

Non current assets held for sale represent collateral properties recoverred from defaulted loan with aim of coverting the properties to cash within the shortest period of time.

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The Company is exposed to financial risk through its financial assets (investments and loans). The key focus of financial risk management for the Company is to ensure that the proceeds from financial assets are sufficient to fund its obligations arising from its insurance operations. The most important components of financial risk (market risk) arises from open positions in interest rate, fluctuations in stock prices, inflation, all of which are exposed to general and specific market movement and/or conditions.Investments above ninety-one (91) days are classified as part of financial assets of the Company. All financial instruments are initially recorded at transaction price. Subsequent to initial recognition, the fair values of financial instruments are measured at fair values that are quoted in an active market. When quoted prices are not available, fair value are determined by using valuation techniques that refer as far as possible to observable market data. These are compared with similar instruments where market observable prices exist.

5.	**Finance lease receivables**				
	At 1 January	**180,521,835**	109,262,041	-	-
	Addition	**104,684,079**	87,786,343	-	-
	Repayment	**(24,300,007)**	(16,526,549)	-	-
	Gross investment	**260,905,907**	180,521,835	-	-
	Unearned income	**-**	-	-	-
	Net investment (Note 5.1)	**260,905,907**	180,521,835	-	-
	Impairment on finance lease receivables (Note 5.2)	**(32,879,494)**	(31,780,393)	-	-
	At the end	**228,026,413**	148,741,442	**-**	**-**
5.1	Current	**101,258,477**	84,360,741	-	-
	Non-current	**159,647,430**	96,161,094	-	-
	Analysis by performance				
	Performing	**228,026,413**	148,741,442	-	-
	Non-performing	**32,879,494**	31,780,393	-	-
		260,905,907	180,521,835	-	-
	Analysis by maturity				
	Due within one year	**101,258,477**	84,360,741		
	Due between one - five years	**159,647,430**	96,161,094	-	-
		260,905,907	180,521,835	-	-
5.2	**Movement in impairment - finance lease receivables:**				
	At 1 January	**31,780,393**	23,015,010	-	-
	Charge for the year (note 34)	**1,099,101**	8,765,383	-	-
	At the end	**32,879,494**	31,780,393	-	-

6.	**Trade receivables**				
	Due from insurance companies	**748,937,511**	274,358,188	**748,937,511**	274,358,188
	Due from insurance brokers and agents	**30,047,600**	269,539,140	**26,791,812**	269,539,140
	Due from others	**-**	-	**-**	-
		778,985,111	543,897,328	**775,729,323**	543,897,328
	Impairment allowance (Note 6.1)	**(18,745)**	-	**(18,745)**	-
		778,966,366	543,897,328	**775,710,578**	543,897,328
	Hmo receivable	**40,123,853**	62,808,889	**-**	**-**
	Total	**819,090,219**	606,706,217	**775,710,578**	543,897,328
	Impairment charge (Note 6.2)	(5,086,062)	(5,086,062)	-	-
	Closing Balance	**814,004,157**	601,620,155	**775,710,578**	543,897,328
	Current	**819,090,219**	606,706,217	**775,710,578**	543,897,328
	Non-current	**-**	-	**-**	-
6.1	**Movement in Trade receivables**				
	Opening	**606,706,217**	612,426,941	**543,897,328**	481,030,540
	Gross Premium written	**9,754,163,542**	10,500,388,477	**9,201,597,187**	10,024,047,477
	Premium received	**(9,541,779,540)**	(10,506,109,202)	**(8,969,783,937)**	(9,961,180,689)
	Closing receivables	**819,090,219**	606,706,217	**775,710,578**	543,897,328

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6.2	**Impairment charge**				
	At 1 January	**5,086,062**	4,738,626	**-**	**-**
	IFRS 9 opening balance adjustment	**-**	126,130		
	Charged for the year (note 34)	**-**	221,306	**-**	**-**
	At June 2022	**5,086,062**	5,086,062	**-**	**-**
	Age Analysis of Trade receivable				
	> =1Day <= 30 Days	**798,211,214**	580,827,212	**754,831,573**	518,018,323
	> =31Days <= 90 Days	**20,879,005**	25,879,005	**20,879,005**	25,879,005
	Above 90 Days	**-**	-	**-**	-
		819,090,219	606,706,217	**775,710,578**	543,897,328

		Group		Company	
		30 SEPTEMBER 2022	December 2021	**30 SEPTEMBER 2022**	December 2021
		N	**N**	**N**	**N**
7.	**Reinsurance Assets**				
	Prepaid reinsurance (Note 7.1a & 7.1b)	**1,067,021,471**	1,067,021,471	**1,067,021,471**	1,067,021,471
	Reinsurers share of claims (Note 7.3)	**2,888,203,223**	2,354,142,508	**2,888,203,223**	2,354,142,508
		3,955,224,694	3,421,163,979	**3,955,224,694**	3,421,163,979
	Impairment	**(10,723,799)**	(10,723,799)	**(10,723,799)**	(10,723,799)
	At the end	**3,944,500,895**	3,410,440,180	**3,944,500,895**	3,410,440,180
	Current	**3,955,224,694**	3,421,163,979	**3,955,224,694**	3,421,163,979
	Non-current	**-**	-	**-**	-
	Movement in Impairment(Credit Loss IFRS 9)				
	Opening Balance	**10,723,799**	-	**10,723,799**	-
	IFRS 9 opening balance adjustment	**-**	9,602,989	**-**	9,602,989
	Charged during the year	**-**	1,120,810	**-**	1,120,810
	At the end	**10,723,799**	10,723,799	**10,723,799**	10,723,799
	Prepaid reinsurance premium(note 7.1a)	**1,020,330,096**	1,020,330,096	**1,020,330,096**	1,020,330,096
	Prepaid minimum and deposit premium (note 7.1b)	**46,691,375**	46,691,375	**46,691,375**	46,691,375
	Reinsurance share of outstanding claims	**1,746,307,573**	1,073,320,986	**1,746,307,573**	1,073,320,986
	Reinsurance share of IBNR	**574,133,620**	718,521,485	**574,133,620**	718,521,485
	Reinsurance receivable on claims paid (note 7.2b)	**567,762,030**	562,300,037	**567,762,030**	562,300,037
	Total	**3,955,224,694**	3,421,163,979	**3,955,224,694**	3,421,163,979
	Impairment (IFRS 9)	**(10,723,799)**	(10,723,799)	**(10,723,799)**	(10,723,799)
		3,944,500,895	3,410,440,180	**3,944,500,895**	3,410,440,180

The Company assesses its reinsurance assets for impairment. If there is objective evidence that the reinsurance assets are impaired, the Company reduces the carrying amount of the reinsurance assets to its recoverable amount and recognizes that impairment loss in the income statement. The Company has a reinsurance agreement with African Reinsurance Corporation, and Continental Reinsurance Plc. Based on the financial position and performance during the period under review, they are solvent and had never defaulted on their obligations. Consequently, there are no indications of impairment as at the reporting date.

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		Group		Company	
		30 SEPTEMBER 2022	December 2021	30 SEPTEMBER 2022	December 2021
		N	N	N	N
7.1a	**Prepaid Reinsurance Premium**				
	Fire	**149,140,952**	149,140,952	**149,140,952**	149,140,952
	General accident	**141,909,274**	141,909,274	**141,909,274**	141,909,274
	Motor	**4,932,150**	4,932,150	**4,932,150**	4,932,150
	Marine	**95,539,565**	95,539,565	**95,539,565**	95,539,565
	Bond	**15,421,170**	15,421,170	**15,421,170**	15,421,170
	Engineering	**72,269,543**	72,269,543	**72,269,543**	72,269,543
	Aviation	**97,680,810**	97,680,810	**97,680,810**	97,680,810
	Oil & gas	**443,436,632**	443,436,632	**443,436,632**	443,436,632
		1,020,330,096	1,020,330,096	**1,020,330,096**	1,020,330,096
7.1b	**Prepaid Minimum & Deposit Premium**				
	Fire	**17,372,250**	17,372,250	**17,372,250**	17,372,250
	General accident	**1,983,500**	1,983,500	**1,983,500**	1,983,500
	Motor	**4,275,000**	4,275,000	**4,275,000**	4,275,000
	Marine	**8,767,500**	8,767,500	**8,767,500**	8,767,500
	Engineering	**14,293,125**	14,293,125	**14,293,125**	14,293,125
		46,691,375	46,691,375	**46,691,375**	46,691,375
	Prepaid reinsurance	**1,067,021,471**	1,067,021,471	**1,067,021,471**	1,067,021,471
7.2 a	**Reinsurers Share of Claims**				
	Fire	**1,464,351,118**	672,248,809	**1,464,351,118**	672,248,809
	General accident	**576,166,992**	345,534,621	**576,166,992**	345,534,621
	Motor	**30,566,753**	39,128,200	**30,566,753**	39,128,200
	Marine	**66,916,487**	436,116,410	**66,916,487**	436,116,410
	Bond	**3,233,724**	6,094,897	**3,233,724**	6,094,897
	Engineering	**95,656,931**	74,635,046	**95,656,931**	74,635,046
	Aviation	**16,602,243**	80,785,776	**16,602,243**	80,785,776
	Oil & gas	**66,946,946**	137,298,712	**66,946,946**	137,298,712
		2,320,441,193	1,791,842,471	**2,320,441,193**	1,791,842,471
7.2b	**Reinsurers share of paid claims**				
	Fire	**400,044,648**	8,719,519	**400,044,648**	8,719,519
	General accident	**86,186,942**	200,907,030	**86,186,942**	200,907,030
	Motor	**513,605**	70,625,744	**513,605**	70,625,744
	Marine	**14,376,266**	16,443,442	**14,376,266**	16,443,442
	Bond	**-**	-	**-**	-
	Engineering	**1,285,386**	4,920,359	**1,285,386**	4,920,359
	Aviation	**-**	55,317,458	**-**	55,317,458
	Oil & gas	**65,355,183**	205,366,485	**65,355,183**	205,366,485
		567,762,031	562,300,037	**567,762,030**	562,300,037
7.3	**Reinsurance Assets:**				
	Movement in prepaid reinsurance:				
	At 1 January	**1,067,021,471**	847,365,944	**1,067,021,471**	847,365,944
	Additions during the period (Note 28)	**3,766,134,300**	4,458,744,931	**3,766,134,300**	4,458,744,931
		4,833,155,771	5,306,110,875	**4,833,155,771**	5,306,110,875
	Amortization during the period (Note 28)	**(3,773,822,752)**	(4,239,089,404)	**(3,773,822,752)**	(4,239,089,404)
	At the end	**1,059,333,019**	1,067,021,471	**1,059,333,019**	1,067,021,471
	Movement in claims recoverable:				
	At 1 January	2,354,142,508	2,170,714,673	**2,354,142,508**	2,170,714,673
	Additions during the period	2,394,751,588	1,711,954,074	**2,394,751,588**	1,711,954,074
		4,748,894,096	3,882,668,747	**4,748,894,096**	3,882,668,747
	Amortization during the period	(1,860,690,873)	(1,528,526,239)	**(1,860,690,873)**	(1,528,526,239)
	At the end	**2,888,203,223**	2,354,142,508	**2,888,203,223**	2,354,142,508
8.	**Deferred Acquisition Cost**				
	At 1 January	**397,546,015**	355,066,148	**385,296,407**	344,817,850
	Acquistion cost during the period	**1,489,490,367**	1,680,613,794	**1,444,740,630**	1,633,891,706
	Less: Amortisation during the period (Note 31)	**(1,411,712,523)**	(1,638,133,927)	**(1,367,467,532)**	(1,593,413,149)
	At the end	**475,323,859**	397,546,015	**462,569,505**	385,296,407
	Current	**475,323,859**	397,546,015	**462,569,505**	385,296,407
	Non-current	**-**	-	**-**	-

Deferred acquisition cost represent commissions on unearned premium relating to the unexpired risk. The movement in the deferred acquisition cost during the year is as shown above.

		Group		Company	
		30 SEPTEMBER 2022	December 2021	30 SEPTEMBER 2022	December 2021
		N	N	N	N
8.1	**Deferred Acquisition Cost Analysis**				
	Fire	**131,071,359**	75,189,179	**131,071,359**	75,189,179
	General accident	**57,393,361**	65,331,213	**57,393,361**	65,331,213
	Motor	**97,835,964**	91,453,591	**97,835,964**	91,453,591
	Marine	**42,396,380**	27,278,926	**42,396,380**	27,278,926
	Bond	**30,277,330**	9,710,496	**30,277,330**	9,710,496
	Engineering	**24,968,813**	32,741,876	**24,968,813**	32,741,876
	Aviation	**19,996,566**	20,298,332	**19,996,566**	20,298,332
	Oil & gas	**58,629,732**	63,292,794	**58,629,732**	63,292,794
	Company Total	**462,569,505**	385,296,407	**462,569,505**	385,296,407
	HMO Deferred acquisition	**12,754,354**	12,249,608	**-**	-
	Group Total	**475,323,859**	397,546,015	**462,569,505**	385,296,407
9.	**Other Receivables and Prepayments**				
	Staff advances & prepayment	**76,804,018**	38,223,806	**62,839,148**	38,223,806
	Account receivables **	**59,900,532**	17,283,848	**73,220,686**	30,933,113
	Intercompany Receivables	**-**	-	**307,862,246**	316,785,801
	Witholding tax credit	**22,261,111**	33,550,342	**22,261,111**	33,550,343
	Prepayments (Note 9.1)	**121,203,702**	136,409,435	**116,745,229**	127,883,874
		280,169,363	225,467,431	**582,928,420**	547,376,937
	Impairment allowance (Note 34)	**(2,774,928)**	(2,774,928)	**-**	-
		277,394,435	222,692,503	**582,928,420**	547,376,937
	Current	**280,169,363**	225,467,431	**582,928,420**	547,376,937
	Non-current	**-**	-	**-**	-
	Impairment allowance on other receivables				
	As at 1 January	**2,774,928**	-	**-**	**-**
	IFRS 9 opening balance adjustment	**-**	132,986	**-**	**-**
	Charged/(reversed)	**-**	2,641,942	**-**	**-**
	As at 30 September	**2,774,928**	2,774,928	**-**	-

** Included in Account receivable is =N=39.8m being the balance of the amount deposited with lead underwriters for the purpose of settling claims based on MOU signed at the inception of the policies. The amount =N=15.5 million is the balance as at 31st December 2021.

		Group		Company	
9.1	**Prepayments**				
	Prepaid rent	**109,564,531**	116,662,920	**105,106,058**	108,137,359
	Other prepayments	**11,639,171**	19,746,515	**11,639,171**	19,746,515
		121,203,702	136,409,435	**116,745,229**	127,883,874
	Current	**121,203,702**	136,409,435	**116,745,229**	127,883,874
	Non-current	**-**	-	**-**	-
10.	**Investment in Subsidiaries**				
	CHI Capital (Note 10.1a)	**-**	-	**130,000,000**	130,000,000
	Chi Microinsurance Limited (10.1b)	**-**	-	**200,000,000**	200,000,000
	Grand Treasurers Limited	**-**	-	**764,225,000**	764,225,000
	Hallmark Health Services Limited (10.1c)	**-**	-	**500,000,000**	500,000,000
		-	**-**	**1,594,225,000**	1,594,225,000

Movement in Investment in subsidiaries	**Grand Treasurers Limited**	**CHI Capital Limited**	**Hallmark Health Services Limited**	**Chi Microinsurance Limited**
Opening	**764,225,000**	**130,000,000**	500,000,000	**200,000,000**
Addition	**-**	**-**	**-**	**-**
Disposal	**-**	**-**	-	**-**
Closing	**764,225,000**	**130,000,000**	**500,000,000**	**200,000,000**

In the year 2021, the Board approved and invested additional Capital of N100m into Hallmark Health Services Ltd by increasing the paid up capital to N500million.

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10.1a CHI Capital Limited is a fully owned subsidiary of Consolidated Hallmark Insurance Plc. It carries on the business of consumer leasing. In 2019, CHI Capital Limited transferred its 100% interest in Grand Treasurers Limited to Consolidated Hallmark Insurance Plc .Grand Treasurers Ltd is a CBN licensed finance company, acquired by CHI Capital Ltd in December 2010 with the purpose of carrying on financing activities. CHI Capital Limited also owns 100% interest in CHI Support Services Limited started as a vehicle tracking Company, but now focused on corporate support services for the Group.

10.1b CHI Microinsurance Limited is a fully owned subsidiary of Consolidated Hallmark Insurance Plc. The group incorporated CHI Microinsurance Limited in the year 2016 and licensed by NAICOM to carryout micro life assurance business to further deepen its market share on general insurance business.

10.1c Hallmark Health Services Limited is a fully owned subsidiary of Consolidated Hallmark Insurance Plc. The group incorporated Hallmark Health Services Limited towards the end of the year 2017 and fully accredited by National Health Insurance Scheme to operate in health Insurance sector.

		CHI PLC	CHI Capital Limited	CHI Microinsurance	Hallmark Health Ltd	Grand Treasurers Ltd	Elimination	Total
		N	N	N	N		N	N
	Condensed result of consolidated entities - 2022							
10.2	**Condensed Financial Position**							
	Assets							
	Cash and cash equivalents	3,318,582,000	167,040,897	174,027,326	405,675,769	242,911,420	-	4,308,237,412
	Financial assets	3,987,529,539	26,138,835	-	-	2,349,174,801	-	6,362,843,175
	Non-current Assets held for sale	-	-			115,400,000	-	115,400,000
	Finance lease receivables	-	-		-	228,026,413	-	228,026,413
	Trade receivables	775,710,578	-	3,255,789	35,037,791		-	814,004,157
	Reinsurance assets	3,944,500,895	-				-	3,944,500,895
	Deferred acquisition cost	462,569,505	-		12,754,354		-	475,323,860
	Other receivables and prepayment	582,928,420	26,306,328	1,257,187	18,423,343	20,468,666	(371,989,509)	277,394,435
	Investment in subsidiaries	1,594,225,000	-			-	(1,594,225,000)	-
	Investment properties	1,190,376,470	-		140,000,000		-	1,330,376,470
	Leasehold properties	-	-		3,742,494		-	3,742,494
	Intangible Assets	23,935,859	-	8,651,047	6,344,544	34,598,355		73,529,805
	Property and equipment	1,040,189,221	-	6,817,741	43,826,745	35,938,641	-	1,126,772,348
	Deffered tax asset	-	-	-	-	-	-	-
	Statutory deposits	300,000,000	-	100,000,000			-	400,000,000
	Total assets	17,220,547,488	219,486,060	294,009,088	665,805,040	3,026,518,296	(1,966,214,509)	19,460,151,464
	Liabilities							
	Insurance contract liabilities	7,133,655,628	-	20,574,731	187,456,286		-	7,341,686,645
	Investment Contract liabilities		-	13,319,344				13,319,344
	Trade payables	246,516,477	-				-	246,516,477
	Borrowing	-	-			1,044,081,824	-	1,044,081,824
	Provision and other payables	258,111,728	7,240,206	41,399,915	104,570,035	424,494,714	(371,989,509)	463,827,089
	Staff retirement benefit	879,504	-			1,418,527	-	2,298,031
	Tax liabilities	451,552,768	7,829,347		2,244,905	168,452,900	-	630,079,920
	Deffered tax	247,979,804	(25,173)			6,825,376		254,780,007
	Share capital	5,420,000,000	130,000,000	200,000,000	500,000,000	764,225,000	(1,594,225,000)	5,420,000,000
	Share Premium	168,933,834	-	-			-	168,933,834
	Statutory reserve	2,713,462,461	-	295,351		114,295,820	-	2,828,053,632
	Fair Value Through OCI Reserve	30,669,220	(53,493)					30,615,727
	Revaluation reserve	115,793,288						115,793,288
	Requlatory risk reserve	-				-		-
	Retained earnings	432,992,776	74,495,173	18,419,747	(128,466,185)	502,724,136		900,165,646
	Total liabilities and equity	17,220,547,488	219,486,060	294,009,088	665,805,040	3,026,518,296	(1,966,214,509)	19,460,151,464

	CHI PLC	CHI Capital	CHI Microinsurance	Hallmark Health Services LTD	Grand Treasurers Limited	Elimination	Total
	N	N	N	N	N	N	N
10.2 Condensed result of consolidated entities - 2022							
Condensed profit and loss							
Underwriting profit	**1,697,893,093**	**-**	**5,518,933**	**92,285,645**		**(35,115,449)**	**1,760,582,221**
Investment income	**579,394,139**	**14,020,144**	**9,423,813**	**31,364,760**	**443,340,064**	**(61,138,000)**	**1,016,404,920**
Other operating income	**176,025,972**	**-**	**154,182**	**6,283,206**	**43,408,999**	**-**	**225,872,359**
Total operating income	**2,453,313,203**	**14,020,144**	**15,096,928**	**129,933,611**	**486,749,063**	**(96,253,449)**	**3,002,859,500**
Impairment no longer required	**-**	**-**	**-**		**102,280,824**	**-**	**102,280,824**
Net fair value gains/(losses) on financial assets at fair value through profit or loss	**(178,606,590)**	**14,245,467**		**50,000,000**	**(50,000)**	**-**	**(114,411,123)**
Management expenses	**(1,659,638,178)**	**(279,879)**	**(25,204,183)**	**(180,099,379)**	**(238,141,243)**	**35,115,449**	**(2,068,247,412)**
Profit before taxation	**615,068,436**	**27,985,731**	**(10,107,255)**	**(165,767)**	**350,838,645**	**(61,138,000)**	**922,481,788**
Taxation	**(185,345,734)**	**-**		**-**	**(69,131,593)**	**-**	**(254,477,327)**
Profit after taxation	**429,722,702**	**27,985,731**	**(10,107,255)**	**(165,767)**	**281,707,051**	**(61,138,000)**	**668,004,460**

	CHI PLC	CHI Capital Limited	**CHI** Microinsurance	**Hallmark Health Ltd**	**Grand Treasurers Ltd**	Elimination	**Total**
	N	N	**N**	**N**		N	**N**
Condensed result of consolidated entities - 2021							
10.2 Condensed Financial Position							
Assets							
Cash and cash equivalents	2,044,305,295	156,237,257	173,494,407	422,344,464	60,693,817	-	2,857,075,239
Financial assets	3,926,828,204	11,893,367	-	-	1,351,835,012	-	5,290,556,583
Finance lease receivables	-	-		-	148,741,442	-	148,741,442
Trade receivables	543,897,328	-		57,722,827		-	601,620,154
Reinsurance assets	3,410,440,180	-				-	3,410,440,180
Deferred acquisition cost	385,296,407	-		12,249,609		-	397,546,015
Other receivables and prepayment	547,376,936	24,977,294	225,200	17,002,413	14,947,391	(381,836,730)	222,692,504
Investment in subsidiaries	1,594,225,000	-			-	(1,594,225,000)	-
Investment properties	1,008,676,470	-		90,000,000		-	1,098,676,470
Leasehold properties	-	-		6,406,591		-	6,406,591
Intangible Assets	29,482,172	-	10,347,330	307,003	36,566,414		76,702,920
Property and equipment	1,089,355,653	-	8,504,716	30,913,856	34,933,903	-	1,163,708,129
Deffered tax asset	-	-	-	-	-	-	-
Statutory deposits	300,000,000	-	100,000,000			-	400,000,000
Total assets	14,879,883,645	193,107,918	292,571,653	636,946,763	1,647,717,979	(1,976,061,730)	15,674,166,226
Liabilities							
Insurance contract liabilities	5,299,544,811	-	3,764,797	170,740,793		-	5,474,050,401
Investment Contract liabilities		-	17,660,923				17,660,923
Trade payables	46,805,158	-			-	-	46,805,158
Borrowing	-	-			55,800,013	-	55,800,013
Provision and other payables	275,121,116	4,774,970	42,323,580	92,024,414	311,133,243	(381,836,730)	343,540,594
Staff retirement benefit	1,367,928	-			707,754	-	2,075,682
Tax liabilities	340,135,901	7,829,349		2,244,905	112,575,689	-	462,785,844
Deffered tax	247,979,804	4,858,727			6,825,376		259,663,907
Share capital	5,420,000,000	130,000,000	200,000,000	500,000,000	764,225,000	(1,594,225,000)	5,420,000,000
Share Premium	168,933,834	-	-			-	168,933,834
Statutory reserve	2,437,343,087	-	295,351		72,039,762	-	2,509,678,200
Fair Value Through OCI Reserve	30,669,221	(53,493)					30,615,728
Revaluation reserve	115,793,288						115,793,288
Requlatory risk reserve	-				1,354,214		1,354,214
Retained earnings	496,189,498	45,698,365	28,527,002	(128,063,349)	323,056,926		765,408,441
Total liabilities and equity	14,879,883,645	193,107,918	292,571,653	636,946,763	1,647,717,979	(1,976,061,730)	15,674,166,226
		(28,796,808)	10,107,255	402,837	(220,569,053)		
10.2 Condensed result of consolidated entities - 2021		(811,076.79)	(0.23)	237,069.35	61,137,998.01		
Condensed profit and loss							
Underwriting profit	1,436,350,040	-	1,310,688	75,925,722		-	1,513,586,450
Investment income	451,866,000	4,195,834	8,350,920	30,655,259	373,220,100		868,288,113
Other operating income	269,308,787	1,012,528	-	165,257	22,786,544	-	293,273,115
Total operating income	2,157,524,827	5,208,362	9,661,608	106,746,238	396,006,644	-	2,675,147,679
Impairment charge	-	-			(10,495,132)	-	(10,495,132)
Net fair	(135,468,512)	-			(105,000)	-	(135,573,512)
Management expenses	(1,455,944,234)	(855,422)	(8,279,211)	(133,880,475)	(160,592,281)	-	(1,759,551,623)
Profit before taxation	566,112,081	4,352,940	1,382,397	(27,134,237)	224,814,230	-	769,527,411
Taxation	(160,892,588)	-		0	(74,188,696)	-	(235,081,284)
Profit after taxation	405,219,493	4,352,940	1,382,397	(27,134,237)	150,625,534	-	534,446,127

		Group		Company	
		30 SEPTEMBER 2022 N	31 December 2021 N	**30 SEPTEMBER 2022 N**	31 December 2021 N
11.0	**Intangible assets**				
	Cost				
	At 1 January	**125,342,605**	74,117,939	**69,784,428**	62,487,520
	Addition	**3,267,000**	51,224,666	**-**	7,296,908
	Reclassification	**-**	-		
	30 SEPTEMBER	**128,609,605**	125,342,605	**69,784,428**	69,784,428
	Accumulated amortization				
	At 1 January	**48,639,685**	37,543,282	**40,302,256**	32,007,107
	Charge	**6,440,116**	11,096,403	**5,546,313**	8,295,149
	30 SEPTEMBER	**55,079,800**	48,639,685	**45,848,569**	40,302,256
	Carrying amount				
	30 SEPTEMBER	**73,529,805**	76,702,920	**23,935,859**	29,482,172
12	**Investment Properties**				
	At 1 January	**1,098,676,470**	1,042,487,470	**1,008,676,470**	948,826,470
	Addition	**181,700,000**	231,850,000	**181,700,000**	141,850,000
	Disposal/transfer (Note 12.1b)	**-**	(175,661,000)	**-**	(82,000,000)
	Fair value change	**50,000,000**	-	**-**	-
	30 SEPTEMBER	**1,330,376,470**	1,098,676,470	**1,190,376,470**	1,008,676,470

Investment Properties

Investment properties are made up of buildings and properties held by the company to earn rentals or for capital appreciation or both and are accounted for in line with International Accounting Standard (IAS) 40. Some of these properties retained the title of one of the legacy companies making up Consolidated Hallmark Insurance Plc. There is no dispute as to the title of Consolidated Hallmark Insurance Plc to these properties. However, in line with NAICOM requirement, provided below is the list of these properties and status of efforts to change their name to Consolidated Hallmark Insurance Plc.

The properties were professionally re-valued as at 15 November 2021, by Messrs Adegboyega Sanusi & Co (FRC/2013/NIESV/00000001757) on the basis of open market values.

12.1 Part of the Company property at Romax Homes Estate by Harris drivet beside VGCI Ikota Lekki Lagos valued N82,000,000 as at December 2020 was disposed during the year for N90million net of commission and CHI Capital equally sold the Land in Thomas estate Ajah Lagos valued at N93.7million as at December 2020 for N142.4million net of commission.

S/N	TYPE OF ASSET	ADDRESS	AMOUNT N	CURRENT TITLE	STATUS ON CHANGE OF TITLE
	Company				
1	Building	Plot A/5 Pocket Layout (Clerk Quarters) Owerri, Imo State.	206,000,000	Consolidated Hallmark Insurance Plc.	Title over this property has been transferred to Consolidated Hallmark
2	Building	219, 220 and 221, Akukwe Street, Works Layout, Owerri, Imo State	229,000,000	Consolidated Hallmark Insurance Plc.	Title now changed from Hallmark Assurance Plc to the name of Consolidated Hallmark Insurance Plc.
3	Building	No. 30, East Street, Rivers Layout Aba, Abia State.	104,105,470	Consolidated Hallmark Insurance Plc.	Title over this property has been transferred to Consolidated Hallmark
4	Building	Plot 33, Chief Ogbonda Layout, Rumuogba, Port Harcourt.	144,221,000	Consolidated Hallmark Insurance Plc.	Title over this property has been transferred to Consolidated Hallmark
5	Building	Rivers State Housing Estate, Abuloma PH	48,000,000	Consolidated Hallmark Insurance Plc.	Title over this property has been transferred to Consolidated Hallmark
6	Land	Plot 14, 1(W) Road, First Avenue, Lugbe Estate, Abuja.	23,000,000	Hallmark Assurance Plc (Legacy Company)	The Company had paid all required fees to the Federal Housing Authority since
7	Building	Romax Homes Estate by Harris drivet beside VGCI Ikota, Lekki Lagos	122,150,000	Consolidated Hallmark Insurance Plc.	The deed of assigment is in the name of Consolidated Hallmark Insurance Plc. Perfection of title in progress
8	Building	3Units of 4 Bedroom Terrace At Westend Ikota, Lagos	135,900,000	Consolidated Hallmark Insurance Plc.	The deed of assigment is in the name of Consolidated Hallmark Insurance Plc. Perfection of title in progress
9	Building	Semi detached duplex at Osapa London, Lekki Lagos.	178,000,000	Consolidated Hallmark Insurance Plc.	The deed of assigment is in the name of Consolidated Hallmark Insurance Plc. Perfection of title in progress
		Company's Total	**1,190,376,470**		
	Hallmark Health Services Limited				
	Land	Romax Homes Estate by Harris drivet beside VGCI Ikota, Lekki Lagos	**140,000,000**	Hallmark Health Services Ltd	The deed of assigment is in the name of Hallmark Health Services Ltd.
		Group Total	**1,330,376,470**		

CONSOLIDATED HALLMARK INSURANCE PLC

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Movement on Investment Properties

12.1b S/N	TYPE OF ASSET	ADDRESS	Opening	Addition	Disposal/transfer	Increase (decrease) in Fairvalue	Total
	Company						
1	Building	Plot A/5 Pocket Layout (Clerk Quarters) Owerri, Imo State.	206,000,000	-	-	-	206,000,000
2	Building	219, 220 and 221, Akukwe Street, Works Layout, Owerri, Imo	229,000,000	-	-	-	229,000,000
3	Building	No. 30, East Street, Rivers Layout Aba, Abia State.	104,105,470		-	-	104,105,470
4	Building	Plot 33, Chief Ogbonda Layout, Rumuogba, Port Harcourt.	141,921,000	2,300,000	-	-	144,221,000
5	Building	Jacob's Arena Plot 4, close4, road 4, Westend EstateIkota.,	135,900,000				135,900,000
		Semi detached duplex at Osapa London, Lekki Lagos.		179,400,000			179,400,000
6	Building	Rivers State Housing Estate, Abuloma PH	48,000,000		-	-	48,000,000
7	Land	Plot 14, 1(W) Road, First Avenue, Lugbe Estate, Abuja.	23,000,000	-	-	-	23,000,000
8	Building	Romax Homes Estate by Harris drivet beside	120,750,000	-	-	-	120,750,000
Company Total			**1,008,676,470**	**181,700,000**	**-**	**-**	**1,190,376,470**
	Subsidiary						
9	Building	Romax Homes Estate by Harris drivet beside	90,000,000	-	-	50,000,000	140,000,000
		Thomas estate Ajah Lagos	**-**		-		-
Group Total			**1,098,676,470**	**-**	**-**	**-**	**1,330,376,470**

Addition to item no 8 as stated on the table above represents amount paid for electrification and processing charges to the estate management.

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13.0 Property and Equipment
2022

13.1a The group

	Land	Building	Office Equipment	Furniture & Fittings	Motor Vehicles	Computer Equipment	Total
	N	N	N	N	N	N	N
Costs							
At 1 January	300,000,000	697,723,916	116,646,562	150,817,238	631,770,355	256,792,619	2,153,750,690
Additions during the period	-	-	3,341,866	10,824,030	45,868,978	20,124,095	80,158,969
Revaluation	-	-					-
Disposals during the period	-	-	-	-	(9,801,000)	-	(9,801,000)
30 SEPTEMBER	**300,000,000**	**697,723,916**	**119,988,428**	**161,641,268**	**667,838,333**	**276,916,714**	**2,224,108,659**
Accumulated depreciation							
At 1 January 2022	-	161,373,916	96,346,121	125,553,429	392,075,190	214,693,907	990,042,562
Depreciation charge for the period	-	10,428,616	5,597,845	7,749,820	80,034,765	10,783,702	114,594,748
Disposals in the period	-	-	-	-	(7,301,000)	-	(7,301,000)
30 SEPTEMBER	**-**	**171,802,532**	**101,943,966**	**133,303,249**	**464,808,955**	**225,477,609**	**1,097,336,310**
Accummulated impairment losses	-	-	-	-	-	-	**-**
Carrying value							
30 SEPTEMBER	**300,000,000**	**525,921,384**	**18,044,462**	**28,338,019**	**203,029,378**	**51,439,104**	**1,126,772,348**
At 1 January 2022	300,000,000	536,350,000	20,300,441	25,263,809	239,695,165	42,098,712	1,163,708,129

The properties were professionally re-valued as at 15 November 2021, by Messrs Adegboyega Sanusi & Co (FRC/2013/NIESV/00000001757) on the basis of open market values. These values were incorporated in the books at end of the year 2021. The surplus arising on the revaluation over the written down values was treated as revaluation surplus.

Property and Equipment

13.1b The group

2021	Land	Building	Office **Equipment**	Furniture & **Fittings**	Motor **Vehicles**	Computer **Equipment**	**Total**
	N	**N**	**N**	**N**	**N**	**N**	**N**
At 1 January	286,099,948	541,339,722	109,826,225	150,813,178	597,564,001	249,252,148	1,934,895,222
Additions during the period	-	-	7,458,717	5,181,424	82,780,332	14,709,080	110,129,553
Revaluation	13,900,052	156,384,194					170,284,246
Disposals during the period	-	-	(638,380)	(5,177,364)	(48,573,978)	(7,168,609)	(61,558,331)
31 December	300,000,000	697,723,916	116,646,562	150,817,238	631,770,355	256,792,619	2,153,750,690
Accumulated depreciation							
At 1 January 2021	-	150,547,122	88,279,356	122,568,164	341,805,022	210,123,333	913,322,997
Depreciation charge for the period	-	10,826,794	8,705,145	8,162,629	79,096,343	11,405,970	118,196,881
Disposals in the period	-	-	(638,380)	(5,177,364)	(28,826,175)	(6,835,396)	(41,477,316)
31 December	-	161,373,916	96,346,121	125,553,429	392,075,190	214,693,907	990,042,562
Accummulated impairment losses	-	-	-	-	-	-	-
Carrying value							
31 December	300,000,000	536,350,000	20,300,441	25,263,809	239,695,165	42,098,712	1,163,708,129
At 1 January 2021	286,099,948	390,792,600	21,546,869	28,245,014	255,758,979	39,128,815	1,021,572,225

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

13.2a Property and Equipment
2022
The company

	Land	Building	Office Equipment	Furniture & Fittings	Motor Vehicles	Computer Equipment	Total
	N	N	N	N	N	N	N
Costs							
At 1 January	300,000,000	697,723,916	110,728,948	154,660,725	533,954,601	247,236,021	2,044,304,211
Additions	-	-	599,045	8,555,250	24,878,978	6,793,068	40,826,341
Revaluation		-	-				-
Disposals	-	-			(9,801,000)		(9,801,000)
30 SEPTEMBER	**300,000,000**	**697,723,916**	**111,327,993**	**163,215,975**	**549,032,579**	**254,029,089**	**2,075,329,552**
Accumulated depreciation							
At 1 January	-	161,373,916	94,440,092	127,370,268	359,277,014	212,487,267	954,948,557
Depreciation charge for the period	-	10,428,616	4,510,286	6,493,126	58,657,247	7,403,498	87,492,774
Disposals			-	-	(7,301,000)	-	(7,301,000)
30 SEPTEMBER	**-**	**171,802,532**	**98,950,378**	**133,863,394**	**410,633,261**	**219,890,765**	**1,035,140,331**
Carrying value							
30 SEPTEMBER	**300,000,000**	**525,921,384**	**12,377,615**	**29,352,581**	**138,399,318**	**34,138,324**	**1,040,189,221**
At 31 December 2021	300,000,000	536,350,000	16,288,856	27,290,457	174,677,587	34,748,754	1,089,355,653

The properties were professionally re-valued as at 15 November 2021, by Messrs Adegboyega Sanusi & Co (FRC/2013/NIESV/00000001757) on the basis of open market values. These values were incorporated in the books at end of the year 2021. The surplus arising on the revaluation over the written down values was treated as revaluation surplus.

Property and Equipment (Cont'd)

2021

The company

	Land	Building	Office Equipment	Furniture & Fittings	Motor Vehicles	Computer Equipment	Total
	N	N	N	N	N	N	N
At 1 January	286,099,948	541,339,722	108,926,630	154,710,665	524,028,579	244,588,152	1,859,693,696
Additions	-	-	2,440,698	5,127,424	58,500,000	9,816,478	75,884,600
Transfer from Investment Property(12.1a)	-	-					-
Revaluation	13,900,052.00	156,384,194					170,284,246
Disposals	-	-	(638,380)	(5,177,364)	(48,573,978)	(7,168,609)	(61,558,331)
31 December	300,000,000	697,723,916	110,728,948	154,660,725	533,954,601	247,236,021	2,044,304,211
Accumulated depreciation							
At 1 January	-	150,547,122	88,370,298	124,394,753	322,858,963	209,936,715	896,107,852
Depreciation charge for the period	-	10,826,794	6,708,174	8,152,879	65,244,226	9,385,948	100,318,022
Disposals			(638,380)	(5,177,364)	(28,826,175)	(6,835,396)	(41,477,316)
31 December	-	161,373,916	94,440,092	127,370,268	359,277,014	212,487,267	954,948,558
Carrying value							
31 December	300,000,000	536,350,000	16,288,856	27,290,457	174,677,587	34,748,754	1,089,355,653
At 31 December 2020	286,099,948	390,792,600	20,556,332	30,315,913	201,169,615	34,651,437	963,585,844

13.3 Right-of-Use of Assets (Leased Assets)

	Office Equipment	Furniture & Fittings	Motor Vehicles	Computer Equipment	Total
	N	N	N	N	N
Costs					
At 1 January	3,912,175	6,913,742	9,300,000	520,000	20,645,916
Additions					-
Disposals/movement					-
30 SEPTEMBER	**3,912,175**	**6,913,742**	**9,300,000**	**520,000**	**20,645,916**
Accumulated depreciation					
At 1 January	2,345,697	4,145,404	7,436,438	311,786	14,239,326
Depreciation charge for the period	438,914	775,665	1,391,178	58,340	2,664,096
Disposals					
30 SEPTEMBER	2,784,611	4,921,069	8,827,616	370,126	16,903,422
Carrying value					
30 SEPTEMBER	**1,127,564**	**1,992,673**	**472,384**	**149,874**	**3,742,494**
At 31 December 2021	1,566,478	2,768,338	1,863,562	208,214	6,406,590

		Group		Company	
		2022	2021	2022	2021
		N	N	N	N
14.	**Statutory deposits**	**300,000,000**	300,000,000	**300,000,000**	300,000,000
	Microinsurance	**100,000,000**	100,000,000		
		400,000,000	400,000,000	**300,000,000**	300,000,000

This represents the amount deposited with the Central Bank of Nigeria as at 3o Sptember, 2022.

15. Insurance contract liabilities

	Group 2022	Group 2021	Company 2022	Company 2021
Reserve for outstanding claims (Note 15.1)	**4,056,437,462**	2,841,412,777	**4,052,672,664**	2,837,287,074
Unearned premium reserve (Note 15.2)	**3,285,249,183**	2,632,637,624	**3,080,982,964**	2,462,257,737
	7,341,686,645	5,474,050,401	**7,133,655,628**	5,299,544,811

15.1 Reserve for outstanding claims - 2022

	Group			Company		
	Outstanding Claim	**Provision for IBNR**	**Gross Reserve**	**Outstanding Claim**	**Provision for IBNR**	**Gross Reserve**
	N	**N**	**N**	**N**	**N**	**N**
Fire	**1,695,899,628**	**291,983,831**	**1,987,883,458**	**1,695,899,628**	**291,983,831**	**1,987,883,459**
General accident	**589,419,670**	**223,263,973**	**812,683,643**	**589,419,670**	**223,263,973**	**812,683,643**
Motor	**190,482,918**	**182,025,555**	**372,508,473**	**190,482,918**	**182,025,555**	**372,508,473**
Marine	**172,674,079**	**190,690,722**	**363,364,801**	**172,674,079**	**190,690,722**	**363,364,801**
Bond	**25,670,434**	**18,759,856**	**44,430,290**	**25,670,434**	**18,759,856**	**44,430,290**
Engineering	**51,889,637**	**74,223,251**	**126,112,888**	**51,889,637**	**74,223,251**	**126,112,888**
Aviation	**96,690,025**	**34,651,397**	**131,341,421**	**96,690,025**	**34,651,397**	**131,341,421**
Oil & gas	**84,294,755**	**130,052,934**	**214,347,689**	**84,294,755**	**130,052,934**	**214,347,689**
	2,907,021,145	**1,145,651,519**	**4,052,672,664**	**2,907,021,146**	**1,145,651,518**	**4,052,672,664**
HMO - Outstanding claims	**3,764,798**		**3,764,798**			
	2,910,785,943	**1,145,651,519**	**4,056,437,462**	**2,907,021,146**	**1,145,651,518**	**4,052,672,664**

Reserve for outstanding claims - 2021

	Outstanding Claim	Provision for IBNR	Gross Reserve	Outstanding Claim	Provision for IBNR	Gross Reserve
	N	N	N	N	N	N
Fire	599,775,359	267,981,796	867,757,155	599,775,359	267,981,796	867,757,155
General accident	190,713,367	373,465,978	564,179,345	190,713,367	373,465,978	564,179,345
Motor	84,811,671	197,025,575	281,837,246	84,811,671	197,025,575	281,837,246
Marine	492,740,643	154,690,222	647,430,865	492,740,643	154,690,222	647,430,865
Bond	-	18,759,856	18,759,856	-	18,759,856	18,759,856
Engineering	9,648,186	109,225,751	118,873,937	9,648,186	109,225,751	118,873,937
Aviation	70,125,475	26,051,197	96,176,672	70,125,475	26,051,197	96,176,672
Oil & gas	91,719,064	150,552,934	242,271,998	91,719,064	150,552,934	242,271,998
	1,539,533,765	1,297,753,308	2,837,287,074	1,539,533,765	1,297,753,308	2,837,287,074
HMO - Outstanding c	4,125,704		4,125,704			
	1,543,659,469	1,297,753,308	2,841,412,778	1,539,533,765	1,297,753,308	2,837,287,074

	Group		Company	
	2022	2021	**2022**	2021
	N	**N**	**N**	**N**
15.2 Unearned premium reserve				
Fire	**673,541,035**	383,027,502	**673,541,035**	383,027,502
General accident	**381,839,082**	339,151,136	**381,839,082**	339,151,136
Motor	**885,232,842**	814,032,695	**885,232,842**	814,032,695
Marine	**219,411,850**	138,115,979	**219,411,850**	138,115,979
Oil & Gas	**458,192,520**	471,558,371	**458,192,520**	471,558,371
Engineering	**205,316,226**	163,976,093	**205,316,226**	163,976,093
Aviation	**98,486,121**	101,476,097	**98,486,121**	101,476,097
Bond	**158,963,287**	50,919,864	**158,963,287**	50,919,864
	3,080,982,964	2,462,257,737	**3,080,982,964**	2,462,257,737
HMO - Unearned premium reserve	**187,456,286**	166,615,090	**-**	-
Microinsurance - Unearned premium reserve	**16,809,934**	3,764,797		
	3,285,249,183	2,632,637,624	**3,080,982,964**	2,462,257,737

Estimates of incurred but not reported (IBNR) claims liability and calculation of unearned premium was developed by the Management of the Company with the use of a professional actuary (Ernst & Young), certified firm of actuaries with FRC registration number FRC/2012/NAS/00000000738

Management believes that the carrying amount of insurance liabilities represents a reasonable approximation of fair value.

15.3 **AGE ANALYSIS OF OUTSTANDING CLAIMS AS AT 31 DECEMBER, 2021**

	0-90 DAYS	91-180 DAYS	181-270 DAYS	271-365 DAYS	ABOVE 365 DAYS	TOTAL
1-250,000	30,585,445	19,942,921	13,183,113	12,871,840	49,077,655	125,660,974
250,001-500,000	34,712,117	17,327,000	12,110,210	10,348,971	20,675,150	95,173,448
500,001-1,500,000	31,258,796	36,725,415	15,950,000	11,500,000	23,452,299	118,886,510
1,500,001-2,500,000	4,900,287	7,586,331	3,919,000		16,005,950	32,411,568
2,500,001-5,000,000	19,102,500	4,102,500	8,693,710	4,000,000	27,422,610	63,321,320
ABOVE 5,000,000	58,027,938	400,000,000	460,000,000	26,613,194	159,438,814	1,104,079,946
TOTAL	**178,587,083**	**485,684,167**	**513,856,033**	**65,334,005**	**296,072,478**	**1,539,533,766**

AGE ANALYSIS OF OUTSTANDING CLAIMS AS AT 31 DECEMBER, 2020

	0-90 DAYS	91-180 DAYS	181-270 DAYS	271-365 DAYS	ABOVE 365 DAYS	TOTAL
1-250,000	32,047,974	18,209,023	16,306,287	12,664,130	52,716,781	131,944,195
250,001-500,000	12,963,432	13,079,363	5,048,325	6,606,350	13,136,014	50,833,484
500,001-1,500,000	14,927,979	15,351,299	12,086,101	2,529,387	10,896,858	55,791,624
1,500,001-2,500,000	9,226,813	7,624,526	5,564,500	3,532,000	8,600,104	34,547,943
2,500,001-5,000,000	24,270,140	8,064,500	11,465,000	10,703,000	10,587,917	65,090,557
ABOVE 5,000,000	50,641,250	150,333,500	17,961,897	8,500,000	59,840,613	287,277,260
TOTAL	**144,077,588**	**212,662,211**	**68,432,110**	**44,534,867**	**155,778,287**	**625,485,063**

Number of claimants in each category

	0-90 DAYS	91-180 DAYS	181-270 DAYS	271-365 DAYS	ABOVE 365 DAYS	TOTAL
At December 2021	637	397	301	271	1,011	2,617
At December 2020	525	327	315	253	1,218	2,638

Further Analysis of Outstanding Claims

OUTSTANDING CLAIMS (AWAITING EDV)

	0-90 DAYS	91-180 DAYS	181-270 DAYS	271-365 DAYS	ABOVE 365 DAYS	TOTAL
1-250,000	-	-		50,000		50,000
250,001-500,000	-					-
500,001-1,500,000	-					-
1,500,001-2,500,000	-					-
2,500,001-5,000,000	-					-
ABOVE 5,000,000	-	-	-	-	-	-
TOTAL	**-**	**-**	**-**	**50,000**	**-**	**50,000**

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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-

OUTSTANDING CLAIMS (AWAITING SETTLEMENT DECISION)

	0-90 DAYS	91-180 DAYS	181-270 DAYS	271-365 DAYS	ABOVE 365 DAYS	TOTAL
1-250,000	770,156	232,000		18,000	973,600	1,993,756
250,001-500,000	339,400	-				339,400
500,001-1,500,000	1,000,000				1,350,000	2,350,000
1,500,001-2,500,000	-					-
2,500,001-5,000,000	-					-
ABOVE 5,000,000	-		450,000,000			450,000,000
TOTAL	**2,109,556**	**232,000**	**450,000,000**	**18,000**	**2,323,600**	**454,683,156**

OUTSTANDING CLAIMS (AWAITING SUPPORTING DOCUMENT)

	0-90 DAYS	91-180 DAYS	181-270 DAYS	271-365 DAYS	ABOVE 365 DAYS	TOTAL
1-250,000	27,322,208	18,960,921	12,964,133	12,125,414	47,072,995	118,445,671
250,001-500,000	33,372,717	17,327,000	12,110,210	10,348,971	20,675,150	93,834,048
500,001-1,500,000	30,258,796	35,725,415	15,950,000	11,500,000	21,402,299	114,836,510
1,500,001-2,500,000	4,900,287	7,586,331	3,919,000		16,005,950	32,411,567
2,500,001-5,000,000	19,102,500	4,102,500	4,102,500	4,000,000	23,879,000	55,186,500
ABOVE 5,000,000	38,027,938	400,000,000	10,000,000	26,613,194	159,438,814	634,079,946
TOTAL	**152,984,446**	**483,702,167**	**59,045,843**	**64,587,579**	**288,474,208**	**1,048,794,245**

OUTSTANDING CLAIMS (BEING ADJUSTED)

	0-90 DAYS	91-180 DAYS	181-270 DAYS	271-365 DAYS	ABOVE 365 DAYS	TOTAL
1-250,000	1,910,080	580,000	211,780	728,426	786,060	4,216,346
250,001-500,000	1,000,000					1,000,000
500,001-1,500,000						-
1,500,001-2,500,000		1,000,000			700,000	1,700,000
2,500,001-5,000,000						-
ABOVE 5,000,000	20,000,000		4,591,210			24,591,210
TOTAL	**22,910,080**	**1,580,000**	**4,802,990**	**728,426**	**1,486,060**	**31,507,556**

OUTSTANDING CLAIMS (SIGNED DISCHARGE VOUCHER UNPAID)

	0-90 DAYS	91-180 DAYS	181-270 DAYS	271-365 DAYS	ABOVE 365 DAYS	TOTAL
1-250,000	491,637	-	-	-	-	491,637
250,001-500,000	350,000	-	-	-	-	350,000
500,001-1,500,000	3,379,702	-	-	-	-	3,379,702
1,500,001-2,500,000	-	-	-	-	-	-
2,500,001-5,000,000	-	-	-	-	-	-
ABOVE 5,000,000	-	-	-	-	-	-
TOTAL	**4,221,339**	**-**	**-**	**-**	**-**	**4,221,339**

Please note that, the group do not have any outstanding claim with executed discharge voucher that is more than 90 days in accordance with Section 70 (1a) of the Insurance Act 2003

		Group		Company	
		2022	2021	2022	2021
		N	N	N	N
15.4	**Funds representing insurance contract liabilities**				
	Insurance Contract Liabilities	**7,341,686,645**	5,474,050,401	**7,133,655,628**	5,299,544,811
	Recoverable from reinsurance company	**(3,944,500,895)**	(3,410,440,180)	**(3,944,500,895)**	(3,410,440,180)
		3,397,185,750	2,063,610,221	**3,189,154,733**	1,889,104,631
	Balance with banks	**-**	-	**-**	-
	Fixed placement	**2,264,760,714**	1,594,881,038	**2,264,760,714**	1,594,881,038
	Treasury bill & Bonds	**-**	-	**-**	-
	Investment property	**1,190,376,470**	1,008,676,470	**1,190,376,470**	1,008,676,470
	At fair value through profit or loss	**-**	-	**-**	-
		3,455,137,184	2,603,557,508	**3,455,137,184**	2,603,557,508
15.5	**Investment contract liabilities**				
	Opening	**17,660,923**	-	-	-
	movement	**(4,341,579)**	17,660,923	-	-
	Closing	**13,319,344**	17,660,923	-	-
16.	**Trade payables**				
	Due to insurance companies	**-**	-	**-**	-
	Due to reinsurance companies - local	**246,516,477**	46,805,158	**246,516,477**	46,805,158
	Other trade payables	**-**	-	**-**	-
		246,516,477	46,805,158	**246,516,477**	46,805,158
	Current	**246,516,477**	46,805,158	**246,516,477**	46,805,158
	Non-current	**-**	-	**-**	-
	Movement in Trade payables				
	Opening	**46,805,158**	13,972,733	**46,805,158**	13,972,733
	Reinsurance during the year	**3,766,134,300**	4,458,744,932	**3,766,134,300**	4,458,744,932
	Payment	**(3,566,422,982)**	(4,425,912,507)	**(3,566,422,982)**	(4,425,912,507)
	Closing	**246,516,477**	46,805,158	**246,516,477**	46,805,158
17	**Borrowing**				
	At 1 January	**55,800,014**	5,013,053	-	-
	Addition	**1,059,284,700**	142,596,600	-	-
	Repayment	**(121,711,241)**	(96,655,552)	-	-
	Interest capitalised	**50,708,351**	4,845,913	-	-
	As At 31 December	**1,044,081,824**	55,800,014	**-**	**-**

These are financial liabilities that mature within 12months of the balance sheet date. It is measure at fair value at initial recognition.

18.	**Other payables and provision**				
	Audit fees	**7,307,500**	11,500,000	**2,807,500**	7,000,000
	VAT payable	**100,000**	100,000	**100,000**	100,000
	Witholding tax payable	**19,699,228**	5,320,984	**19,699,228**	5,320,984
	Unclaimed dividend payable (Note 18.1)	**82,423,287**	80,662,912	**82,423,287**	80,662,912
	Accrued expenses	**39,090,624**	68,193,685	**16,696,456**	45,799,518
	Unearned Commission received(Note 18.2)	**68,805,228**	68,805,228	**68,805,228**	68,805,228
	Staff Cooperative	**36,500,515**	46,672,519	**36,500,515**	46,672,519
	Sundry creditors	**209,900,708**	62,285,265	**31,079,514**	20,759,955
		463,827,089	343,540,593	**258,111,728**	275,121,116
	Current	**463,827,089**	343,540,593	**258,111,728**	275,121,116
	Non-current	**-**	-	**-**	-

18.1 Unclaimed dividend payable represents amount of dividend which shareholders are yet to collect from the company's registrars and which, in line with the relevant rules of the Securities and Exchange Commission, have been returned to the Company to be held in a separate investment trust account, it was invested in money market, the Fund and the interest earned at the end of the year 2021 was N80,662,912 and N8,662,515 respectivefully.

18.2	**Unearned Commission Reserve**	Group		Company	
		2022	2021	2022	2021
		N	N	N	N
	Fire	**13,596,991**	13,596,991	**13,596,991**	13,596,991
	General accident	**16,729,758**	16,729,758	**16,729,758**	16,729,758
	Motor	**866,998**	866,998	**866,998**	866,998
	Marine	**12,242,178**	12,242,178	**12,242,178**	12,242,178
	Oil & Gas	**-**	-	**-**	-
	Engineering	**20,738,926**	20,738,926	**20,738,926**	20,738,926
	Aviation	**-**	-	**-**	-
	Bond	**4,630,377**	4,630,377	**4,630,377**	4,630,377
		68,805,228	68,805,228	**68,805,228**	68,805,228

			Group		Company	
			2022	2021	2022	2021
			N	N	N	N
19.	**Retirement benefit obligation**					
	Defined contribution pension plan					
	At 1 January		**2,075,682**	4,129,526	**1,367,928**	2,253,607
	Provision during the period (Note 36b)		**55,388,704**	51,461,849	**35,207,406**	47,593,611
	Payment during the period		**(55,166,356)**	(53,515,693)	**(35,695,830)**	(48,479,290)
	30 SEPTEMBER		**2,298,030**	2,075,682	**879,504**	1,367,928
19.a	Employer contribution	10%	**1,276,683**	1,153,157	**(147,900)**	391,282
	Employees contribution	8%	**1,021,347**	922,525	**1,027,404**	976,646
			2,298,030	2,075,682	**879,504**	1,367,928

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

		Group		Company	
		2022	2021	**2022**	2021
		N	N	**N**	N
20	**Taxation**				
20	**Income tax expense**				
	Income tax	**247,059,859**	205,312,117	**173,044,365**	131,123,421
	Education tax	**12,301,369**	11,322,242	**12,301,369**	11,322,242
	Under/(over)provision in previous year	**-**	-	**-**	-
		259,361,228	216,634,359	**185,345,734**	142,445,663
	Deferred tax (Note 22)	**(4,883,900)**	18,446,925	**-**	18,446,925
		254,477,328	235,081,284	**185,345,734**	160,892,588

20.1 The Nigerian Information Technology Development Agency (NITDA) Act was signed into law on 24 April 2007. Section 12(2a) of the Act demands that, 1% of profit before tax should be paid to the Nigerian Information Technology Development Agency. In line with the Act, the Company has provided for NITDA levy at the specified rate.

		Group		Company	
		2022	2021	**2022**	2021
		N	N	**N**	N
21.	**Current income tax liabilities**				
	At 1 January	**462,785,844**	359,459,121	**340,135,901**	289,145,971
	Payments during the period	**(92,067,151)**	(64,847,969)	**(73,928,866)**	(65,054,114)
		370,718,693	294,611,152	**266,207,035**	224,091,857
	Charge for the period (note 20)	**259,361,228**	168,174,692	**185,345,734**	116,044,044
	30 SEPTEMBER	**630,079,920**	462,785,844	**451,552,768**	340,135,901
21.1	**Reconciliation of effective tax rate**				
	Profit after tax	**668,004,463**	790,638,018	**429,722,702**	642,155,338
	Total income tax expense				
	Income	**247,059,859**	225,748,745	**173,044,365**	173,259,733
	Education	**12,301,369**	19,814,649	**12,301,369**	15,284,310
	(Over)/under-provision	**-**	(77,388,702)	**-**	(72,500,000)
	Deferred tax (Note 22)	**(4,883,900)**	12,862,091	**-**	6,016,141
		254,477,328	181,036,783	**185,345,734**	122,060,184
	Profit for the period before income tax	**922,481,791**	971,674,801	**615,068,436**	764,215,522
	Effective tax rate	**28%**	19%	**30%**	16%
22	**Deferred tax liabilities**				
	At 1 January	**259,663,907**	177,878,284	**247,979,804**	173,040,130
	IFRS 9 opening balance adjustment	**-**	6,565,322	**-**	6,565,322
	Charge for the period (Note 21.1)	**(4,883,900)**	12,862,090	**-**	6,016,141
	Deffered tax on Revalued Land & Building (PPE)	**-**	54,490,959	**-**	54,490,959
	Deffered tax on FVTOCI instruments	**-**	7,867,252	**-**	7,867,252
	30 SEPTEMBER	**254,780,007**	259,663,907	**247,979,804**	247,979,804

The Company has adopted the International Accounting Standards (IAS 12) on accounting for taxation, which is now computed using liability method.

		Group		Company	
		2022	2021	**2022**	2021
		N	**N**	**N**	**N**
23.	**Share capital**				
	Authorised:				
	20 billion ordinary shares of 50k each	**10,000,000,000**	10,000,000,000	**10,000,000,000**	10,000,000,000
23.1	***Issued and fully paid:***				
	8.130 billion ordinary shares of 50k each				
	30 SEPTEMBER	**5,420,000,000**	5,420,000,000	**5,420,000,000**	5,420,000,000
	Opening	**5,420,000,000**	5,420,000,000	**5,420,000,000**	5,420,000,000
	Addition: Right issue	**-**	-	**-**	-
	Bonus Issue	**-**	-	**-**	-
	Closing	**5,420,000,000**	5,420,000,000	**5,420,000,000**	5,420,000,000

The holder of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at meetings of the Group.
The Company issued a bonus share of 1 for every 15 shares from 2019 financials in 2020.

		Group		Company	
24	**Share Premium**	**2022**	2021	**2022**	2021
	Number (units) of shares issued	**-**	-	**-**	-
	Issue price	**-**	-	-	-
	Opening	**168,933,834**	168,933,834	**168,933,834**	168,933,834
	Addition	**-**	-	**-**	-
	Issue expenses	**-**	-	**-**	-
	Share Premium	**168,933,834**	**168,933,834**	**168,933,834**	**168,933,834**

25. Other reserves

25.1.	**Contingency reserve**				
	At 1 January	**2,437,638,438**	2,136,621,663	**2,437,343,087**	2,136,621,662
	Transfer from income statement (Note 26)	**276,119,373**	301,016,775	**276,119,374**	300,721,425
	30 SEPTEMBER	**2,713,757,811**	2,437,638,438	**2,713,462,461**	2,437,343,087

In line with sections 21(1) and (2) and 22(16) of the Insurance Act 2003, Insurance companies in Nigeria are required to transfer to the statutory contingency reserve, the higher of 20% of net profits and 3% of total Premium. The current year transfer of =N=300,721,425 is based on 3% of total Premium.

25.2	**Statutory reserve**				
	At 1 January	**72,039,762**	45,964,378	**-**	-
	Transfer from income statement (Note 26)	**42,256,058**	26,075,384	**-**	-
				-	
	30 SEPTEMBER	**114,295,820**	72,039,762	**-**	-

In line with Central Bank of Nigeria guideline, Finance companies in Nigeria are required to transfer a minimum of 15% of its profit before tax to statutory reserve until the reserve fund equals the Paid-up Capital and a minimum of 10% thereafter. This applies to Grand Treasurers Limited a subsidiary within the group.

25.3	**Fair Value Through OCI Reserve**				
	At 1 January	**30,615,728**	-	**30,669,220**	-
	Prior year adjustment	**-**	-		
	Gain on financial Assets meansured through OCI	**-**	30,615,728	**-**	30,669,220
				-	
	30 SEPTEMBER	**30,615,728**	30,615,728	**30,669,220**	**30,669,220**

25.4 Revaluation Reserve

At 1 January	**115,793,288**	-	**115,793,288**	-
Revaluation gain on PPE (Land & Building)	**-**	115,793,288	**-**	115,793,288
		-	**-**	-
30 SEPTEMBER	**115,793,288**	115,793,288	**115,793,288**	**115,793,288**

25.5 Regulatory Risk Reserve

At 1 January	**1,354,214**	-	**-**	-
Transfer to/(from) Retained earnings **(Note:26**).	**(1,354,214)**	1,354,214	**-**	-
			-	
30 SEPTEMBER	**-**	1,354,214	**-**	**-**

This is the difference between Expected Credit Loss (ECL) and CBN Prudential Guidelines Computations on Loans & Receivables and Finance Lease Receivables.

26. Retained earnings

At 1 January	**765,408,440**	550,078,221	**496,189,498**	400,684,735
Changes on initial application of IFRS 9	**574,011**	(30,061,373)	**-**	(29,129,100.07)
Interim Dividend declared and paid in the year**	**(216,800,050)**	(216,800,050)	**(216,800,050)**	(216,800,050)
Transfer to contigency reserve (Note 25.1)	**(276,119,374)**	(301,016,775)	**(276,119,374)**	(300,721,425)
Transfer from income statement	**668,004,463**	790,638,017	**429,722,702**	642,155,338
Regulatory Risk Reserve	**1,354,214**	(1,354,214)	**-**	-
Transfer to statutory reserve (Note 25.2)	**(42,256,058)**	(26,075,385)	**-**	-
30 SEPTEMBER	**900,165,646**	765,408,440	**432,992,776**	496,189,498

Retained earnings are the carried forward recognised income net of expenses plus current period profit attributable to shareholde rs.

**The Group declared and paid an interim dividend of 2kobo/share on 2021 financials report during the year. The Board is hereby proposing a final dividend of 2kobo/share as final dividend for the year 2021. If approved by the Shareholders at the AGM, the total Dividend paid on 2021 financial report will be 4kobo/share.

26.1. Profit before taxation

Profit before taxation is stated after charging/crediting:				
Depreciation of property and equipment	**114,594,748**	101,815,136	**87,492,773**	84,585,788
Auditors' remuneration	**3,850,000**	10,000	**2,795,000**	10,000
Directors' remuneration:				
- Fees	**2,000,000**	8,000,000	**2,000,000**	8,000,000
Profit on disposal of property and equipment	**-**	-	**-**	-
Foreign exchange (gains)/loss	**(171,611,811)**	(265,246,176)	**(171,611,811)**	(265,246,176)

The Auditors, Messrs SIAO Partners did not render any other services to the Group besides Auditing services.

27. Gross premium earned analysed as follows:

	<------------------- 2022	-------------->		
	Direct Premium	**Inward Reinsurance Premium**	**Increase/ decrease in Unearned Premium**	**Gross Premium Earned**
	N	**N**	**N**	**N**
Fire	**1,362,852,959**	**13,623,166**	**(290,513,533)**	**1,085,962,592**
General accident	**1,383,595,946**	**14,401,414**	**(42,687,946)**	**1,355,309,414**
Motor	**1,994,168,005**	**31,341,062**	**(71,200,147)**	**1,954,308,920**
Aviation	**864,940,927**	**-**	**2,989,976**	**867,930,903**
Oil & Gas	**1,750,683,918**	**214,385,094**	**13,365,851**	**1,978,434,863**
Marine	**618,954,252**	**5,814,953**	**(81,295,871)**	**543,473,334**
Engineering	**612,487,039**	**3,794,446**	**(41,340,133)**	**574,941,352**
Bond	**330,554,006**	**-**	**(108,043,424)**	**222,510,582**
Company Total	**8,918,237,052**	**283,360,135**	**(618,725,227)**	**8,582,871,960**
Medical Premium	**489,526,538**	**-**	**(1,480,956)**	**488,045,582**
Microinsurance Premium	**27,924,368**		**(16,809,933)**	**11,114,435**
GroupTotal	**9,435,687,958**	**283,360,135**	**(637,016,117)**	**9,082,031,977**

Gross premium earned analysed as follows:

	<-------------------- 2021	------------------->		
	Direct premium	Inward reinsurance premium	Increase/ decrease in unearned premium	Gross premium earned
	N	**N**	**N**	**N**
Fire	959,769,133	6,432,268	17,725,763	983,927,164
General accident	1,055,101,858	4,049,080	(34,364,244)	1,024,786,694
Motor	1,821,518,442	23,404,532	(261,839,698)	1,583,083,277
Aviation	852,616,412	-	3,742,487	856,358,900
Oil & Gas	2,121,818,478	3,772,813	(54,254,157)	2,071,337,135
Marine	585,204,872	5,316,017	(25,160,759)	565,360,129
Engineering	378,215,616	4,630,813	(26,243,786)	356,602,643
Bond	153,042,764	364,306	(12,935,578)	140,471,493
Company Total	7,927,287,575	47,969,829	(393,329,971)	7,581,927,435
Medical Premium	380,799,514	-	(10,157,886)	370,641,628
GroupTotal	8,308,087,089	47,969,829	(403,487,857)	7,952,569,063

	Group		Company	
	2022	2021	**2022**	2021
	N	**N**	**N**	**N**
28. Reinsurance expense				
The reinsurance expense is analysed as follows:				
Reinsurance premium cost (Note 7.3)	**3,766,134,300**	3,561,664,086	**3,766,134,300**	3,561,664,086
(Increase)/decrease in prepaid reinsurance	**7,688,452**	(212,724,499)	**7,688,452**	(212,724,499)
Reinsurance expense (Note 7.3)	**3,773,822,752**	3,348,939,587	**3,773,822,752**	3,348,939,587
29. Fee and commission				
Fire	**165,356,375**	56,360,459	**165,356,375**	144,934,652
General accident	**167,944,426**	87,095,409	**167,944,426**	158,241,354
Motor	**28,924,906**	2,426,829	**28,924,906**	2,426,829
Aviation	**-**	-	**-**	-
Oil & Gas	**802,558**	-	**802,558**	-
Marine	**110,877,549**	18,980,354	**110,877,549**	79,411,051
Engineering	**83,317,463**	38,021,732	**83,317,463**	38,021,732
Bond	**50,545,361**	9,829,919	**50,545,361**	19,469,346
	607,768,639	212,714,703	**607,768,639**	442,504,964
Movement - Fee and commission				
Opening Unearned commission (Note 18.2)	**68,805,228**	26,383,647	**68,805,228**	26,383,647
Commission received	**607,768,639**	245,215,303	**607,768,639**	475,005,564
Commission earned	**(607,768,639)**	(212,714,703)	**(607,768,639)**	(442,504,964)
Closing Unearned commission (Note 18.2)	**68,805,228**	58,884,247	**68,805,228**	58,884,247

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		Group		Company	
		Claims expenses	Claims expenses	**Claims expenses**	Claims expenses
		30 SEPTEMBER 2022	30 SEPTEMBER 2021	**30 SEPTEMBER 2022**	30 SEPTEMBER 2021
		N	N	**N**	N
30a	**Claims expenses**				
	Claims paid during the year	**3,318,708,805**	2,702,811,644	**2,928,282,909**	2,440,453,935
	Opening IBNR and outstanding claims(Note 15.1)	**(2,837,287,074)**	(2,798,868,569)	**(2,837,287,074)**	(2,798,868,569)
	Closing IBNR and outstanding claims (Note 15.1)	**4,052,672,664**	2,846,209,808	**4,052,672,664**	2,846,209,808
	Gross claims expenses	**4,534,094,395**	2,750,152,883	**4,143,668,499**	2,487,795,174
30b.	**Claims & IBNR recoverable**				
	Claims recoverable				
	Claims recovered	**1,860,690,873**	968,301,728	**1,860,690,873**	968,301,728
	Opening claims recoverable (Note 7.3)	**(2,354,142,508)**	(2,170,714,673)	**(2,354,142,508)**	(2,170,714,673)
	Closing claims recoverable	**2,888,203,223**	2,287,110,854	**2,888,203,223**	2,287,110,854
	Net recoverable	**2,394,751,588**	1,084,697,909	**2,394,751,588**	1,084,697,909

31. Underwriting expenses

	Group		Company	
Underwriting expenses- 2022	**Acquisition expenses**	**Maintenance expenses**	**Acquisition expenses**	**Maintenance expenses**
	N	**N**	**N**	**N**
Fire	**212,130,876**	**34,811,843**	**212,130,876**	**34,811,843**
General accident	**272,947,530**	**67,283,644**	**272,947,530**	**67,283,644**
Motor	**224,150,428**	**210,044,667**	**224,150,428**	**210,044,667**
Aviation	**117,908,348**	**169,270,693**	**117,908,348**	**169,270,693**
Oil & Gas	**268,432,502**	**71,234,417**	**268,432,502**	**71,234,417**
Marine	**102,364,539**	**15,634,198**	**102,364,539**	**15,634,198**
Engineering	**128,590,430**	**27,289,227**	**128,590,430**	**27,289,227**
Bond	**40,942,879**	**6,971,622**	**40,942,879**	**6,971,622**
	1,367,467,532	**602,540,312**	**1,367,467,532**	**602,540,312**
HMO Acquisition expenses	**43,283,550**		**-**	**-**
Microinsurance Acquisition expenses	**961,441**			
	1,411,712,523	**602,540,312**	**1,367,467,532**	**602,540,312**

Underwriting expenses- 2021	Acquisition expenses	Maintenance expenses	Acquisition expenses	Maintenance expenses
.	**N**	**N**	**N**	**N**
Fire	127,741,115	38,278,133	127,741,115	38,278,133
General accident	147,962,232	68,248,493	147,962,232	68,248,493
Motor	212,653,413	201,233,211	212,653,413	201,233,211
Aviation	118,409,422	83,497,202	118,409,422	83,497,202
Oil & Gas	308,571,651	97,654,002	308,571,651	97,654,002
Marine	71,405,628	30,260,020	71,405,628	30,260,020
Engineering	53,223,970	16,384,932	53,223,970	16,384,932
Bond	20,264,299	10,467,523	20,264,299	10,467,523
	1,060,231,730	546,023,516	1,060,231,730	546,023,516
HMO Acquisition expenses	31,047,509		-	-
	1,091,279,239	546,023,516	1,060,231,730	546,023,516

	Group		Company	
Underwriting expenses	**30 SEPTEMBER 2022**	**30 SEPTEMBER** 2021	**30 SEPTEMBER 2022**	**30 SEPTEMBER** 2021
	N	**N**	**N**	**N**
Acquisition Expenses	**1,411,712,523**	1,091,279,239	**1,367,467,532**	1,060,231,730
Maintenance Expenses	**602,540,312**	546,023,516	**602,540,312**	546,023,516
	2,014,252,835	1,637,302,755	**1,970,007,844**	1,606,255,246

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FOR THE PERIOD ENDED 30 SEPTEMBER 2022

		Group		Company	
		30 SEPTEMBER 2022	30 SEPTEMBER 2021	30 SEPTEMBER 2022	30 SEPTEMBER 2021
		N	N	N	N
32.	**Investment income**				
	Interest received	64,732,232	518,985,195	152,544,403	102,563,082
	Interest received on corporate loan	5,424,880	4,304,333	5,424,880	4,304,333
	Interest accrued	532,006,208	13,466,411	7,183,255	13,466,411
	Rent income on investment properties	24,885,334	6,498,667	24,885,334	6,498,667
	Profit on Disposal of financial	-	-	-	-
	Dividend received	149,432,630	86,094,735	149,432,630	86,094,735
		776,481,284	629,349,341	339,470,502	212,927,228
	Amortised gain on Debts Security (Note 3.2.4)	239,923,637	238,938,772	239,923,637	238,938,772
		1,016,404,921	868,288,113	579,394,139	451,866,000
32.1	**Investment income**				
	Investment income attributable to policyholders' fund	239,923,637	238,938,772	239,923,637	238,938,772
	Investment income attributable to shareholders' fund	776,481,284	629,349,341	339,470,503	212,927,228
		1,016,404,921	868,288,113	579,394,139	451,866,000
33.	**Other operating income**				
	Profit (Loss) on disposal of property and equipment	4,394,722	3,806,929	4,394,722	3,806,929
	Exchange gain (Note 33.1)	171,611,811	265,246,176	171,611,811	265,246,176
	Other income	49,865,825	23,967,328	19,439	3,000
		225,872,359	293,273,115	176,025,972	269,308,787
33.1	**Exchange gain**				
	Gain on disposal of foreign currency	18,672,500	-	18,672,500	-
	Gain/ (loss) from valuation of closing foreign currency balances	152,939,311	106,184,127	152,939,311	106,184,127
		171,611,811	106,184,127	171,611,811	106,184,127
33.2	**Fair Value Through OCI**				
	Items that will be reclassified subsiquently to profit or loss				
	Revaluation of Land & Building (PPE)	-	-	-	-
	Gain on Fair value through OCI	-	-	-	-
		-	-	-	-
					-
	Deffered tax on Fair value through OCI	-		-	-
	Deffered tax on revaluation surplus Land & Building	-		-	-
		-		-	-
34.	**Impairment charged**				
	Cash and cash equivalent (Note 2.2)	-	-	-	
	Loans and receivables (Note 3.2)	(17,020,075)	(1,816,417)	-	-
	Finance Lease receivable (Note 5.1)	(1,099,101)	(8,678,715)	-	-
	Reinsurance Assets (Note 7)	-	-	-	-
	Trade receivables (Note 6.1)	-	-	-	-
	Other receivables (Note 9)		-	-	
	IFRS 9 Adjustment	-	-	-	-
		(18,119,176)	(10,495,132)	-	
	Impairment no longer required				
	Loans and receivables (Note 3.2.4)	120,400,000	-	-	-
	Trade receivables (Note 6.1)	-	-	-	
	Other receivables (Note 9)	-	-	-	
	Inventories (Note 11)	-	-	-	-
	Finance Lease receivable (Note 5.2)	-	-		
		120,400,000	-	-	-
	Impairment (charge)/write back	102,280,824	(10,495,132)	-	-

	Group		Company	
	30 SEPTEMBER 2022	30 SEPTEMBER 2021	**30 SEPTEMBER 2022**	30 SEPTEMBER 2021
	N	N	**N**	N
35. Net fair value gain (loss) at fair value through profit or loss				
**Financial assets at fair value through profit or loss	**(164,411,123)**	(135,573,512)	**(178,606,590)**	(135,573,512)
Investment property (Note 12.0)	**50,000,000**	-	**-**	-
Fair value gains/(loss)	**(114,411,123)**	(135,573,512)	**(178,606,590)**	(135,573,512)

This represents increase/(decrease) in the value of financial assets and investment properties at fair value through profit or loss during the year.

**Financial assets at fair value through profit or loss were measured using The Nigeria Stock Exchange and NASD price list at the close of business on the 30 September 2022.

35a Financial Assest at fair value through profit or loss (Note 3.1)				
Openning balance	**(100,351,425)**	59,106,429	**(102,013,384)**	61,222,604
Addition charged to profit or loss	**(164,411,123)**	(159,457,854)	**(178,606,590)**	(163,235,988)
Closing balance	**(264,762,548)**	(100,351,425)	**(280,619,973)**	(102,013,384)

36. Operating & Administrative expenses				
Employee cost (Note 36)	**668,848,106**	557,885,814	**519,905,091**	442,367,617
Rent, insurance and maintenance	**204,445,956**	180,589,982	**195,823,796**	153,633,314
Depreciation of property and equipment	**114,594,748**	100,711,945	**87,492,773**	84,585,788
Amortisation of intangible assets	**6,440,116**	10,000	**5,546,314**	10,000
Auditors' remuneration	**3,850,000**	**-**	**2,795,000**	
Directors' remuneration:	**-**	-		
- Fees	**2,000,000**	8,000,000	**2,000,000**	8,000,000
- Allowance & Expenses	**62,747,186**	38,537,058	**19,630,800**	37,896,908
Professional charges	**134,387,373**	185,454,469	**113,922,746**	160,963,471
Printing and telecommunication	**34,915,018**	32,883,446	**27,923,674**	26,306,102
Advertising	**343,634,032**	302,626,190	**315,789,737**	286,142,461
Travelling and motor vehicle expenses	**138,679,201**	130,192,004	**119,126,227**	74,041,178
Rates, Insurance levy and utilities	**98,348,389**	97,231,751	**90,297,828**	89,314,993
Information Technology (note 20)	**-**	-	**-**	-
Office running expenses	**35,447,989**	46,578,869	**22,760,602**	36,623,971
Bank charges	**74,045,815**	15,879,626	**15,617,958**	25,869,626
Donation	**35,661,333**	25,879,626	**30,800,919**	25,938,003
Office security expenses	**31,619,610**	27,138,003	**30,682,823**	1,106,124
Brand management	**58,050,601**	1,106,123	**51,123,745**	3,094,678
Legal and Filing fees	**20,531,940**	8,796,715	**8,398,145**	50,000
Penalty	**-**	50,000	**-**	
	2,068,247,412	1,759,551,623	**1,659,638,178**	1,455,944,234

	Group		Company	
	30 SEPTEMBER 2022	30 SEPTEMBER 2021	**30 SEPTEMBER** 2022	30 SEPTEMBER 2021
	N	N	**N**	N
36a Employee cost				
Wages and salaries	**509,933,407**	463,534,433	**386,297,263**	356,646,665
Medical	**38,105,742**	20,188,257	**35,115,449**	18,998,066
Staff training	**65,420,253**	34,391,304	**63,284,972**	30,819,304
Defined contribution pension plan (Note 19)	**55,388,704**	39,771,820	**35,207,406**	35,903,582
	668,848,106	557,885,814	**519,905,091**	442,367,617
36b Chairman's and Directors' emoluments, pensions and compensation for loss of office				
Emoluments:				
Chairman	**2,000,000**	750,000	**2,000,000**	750,000
Other Directors	**6,000,000**	4,962,500	**6,000,000**	4,962,500
Other emolument of executives	**18,760,000**	16,320,000	**18,760,000**	16,320,000
Emolument of highest paid Director	**12,000,000**	12,000,000	**14,500,000**	12,000,000

37. Basic/diluted earnings per share

Profit/(loss) after taxation	**668,004,463**	534,446,127	**429,722,702**	405,219,494
Number of shares	**10,840,000,000**	10,840,000,000	**10,840,000,000**	10,840,000,000
Movement in Numbers of Share Capital				
Opening	**10,840,000,000**	10,840,000,000	**10,840,000,000**	10,840,000,000
Right issue	**-**	-	**-**	-
Bonus Issue				
Private placement	**-**	-	**-**	-
Closing	**10,840,000,000**	10,840,000,000	**10,840,000,000**	10,840,000,000
Weighted Average nos of share				
Opening	**10,840,000,000**	10,840,000,000	**10,840,000,000**	10,840,000,000
Right issue (half year)	**-**	-	**-**	-
Bonus Issue				
Private placement	**-**	-	**-**	-
Weighted Average nos of share	**10,840,000,000**	10,840,000,000	**10,840,000,000**	10,840,000,000
Basic/diluted earnings per share (kobo)	**6.16**	4.93	**3.96**	3.74

Earnings/(loss) per share have been computed on profit/(loss) after taxation attributable to ordinary shareholders and divided by the number of shares at 50k ordinary shares in issue at year end.

38 Reconciliation of net cashflow from operating

	Group		Company	
	30 SEPTEMBER 2022	30 SEPTEMBER 2021	**30 SEPTEMBER 2022**	30 SEPTEMBER 2021
Profit before tax	**922,481,790**	605,122,980	**615,068,436**	476,758,185
Adjustment for the following;				
Add, Depreciation & amortisation	**114,594,748**	62,646,942	**87,492,773**	55,597,140
other non cash transaction				
Net fair value loss on financial assets at fair value	**164,411,123**	139,136,178	**178,606,589**	201,082,342
Less :				
Profit /Loss on disposal	**(4,394,722)**	(3,806,929)	**(4,394,722)**	(3,806,928)
Gain on sale of investment property			**(8,000,000)**	(8,000,000)
Investment income	**(866,972,291)**	(495,607,455)	**(429,961,509)**	(240,725,211)
Dividend received	**(149,432,630)**	(77,481,600)	**(149,432,630)**	(77,481,600)
Impairment	**(102,280,824)**	15,099,163	**-**	-
	78,407,193	245,109,279	**289,378,938**	403,423,928
Changes in working capital:				
Increase(deccrease) in trade receivable	**(212,384,002)**	78,470,073	**(231,813,249)**	96,310,059
Increase(deccrease) in reinsurance assets	**(534,060,715)**	(712,319,381)	**(534,060,715)**	(712,319,381)
Increase(deccrease) in deferred acquisition	**(77,777,844)**	555,051	**(77,273,098)**	4,285,060
Increase(deccrease) in other receivable	**(54,701,932)**	(80,184,483)	**(35,551,483)**	(40,914,126)
Increase(deccrease) in finance lease receivable	**(79,284,971)**	(115,135,625)	**-**	-
Increase(deccrease) in trade payable	**199,711,318**	21,923,140	**199,711,318**	21,923,140
Increase(deccrease) in Borrowing	**988,281,810**	93,907,120	**-**	-
Increase(deccrease) in insurance contract liabilities	**1,867,636,244**	1,057,157,595	**1,834,110,817**	1,033,040,834
Increase(deccrease) in provision & other payable	**120,286,496**	290,932,240	**(17,009,388)**	146,881,097
Increase(deccrease) in retirement benefits	**222,349**	(543,367)	**(488,424)**	82,627
Increase(deccrease) in other Assets	**(115,400,000)**	-		-
Tax paid	**(92,067,151)**	(39,924,584)	**(73,928,866)**	(35,267,195)
	2,088,868,794	839,947,058	**1,353,075,850**	917,446,041

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

		Group		Company	
		2022 Number	2021 Number	**2022 Number**	2021 Number
39.	**Staff**				
	Average number of persons employed in the financial year were as follows:				
	Managerial	**36**	31	**28**	26
	Senior staff	**146**	124	**108**	110
	Junior staff	**17**	23	**15**	16
		199	178	**151**	152

39a. The number of Directors excluding the Chairman whose emoluments were within the following ranges were:

N		N	Group 2022	Group 2021	Company 2022	Company 2021
Nil	-	100,000	**Nil**	Nil	**Nil**	Nil
100,001	-	200,000	**Nil**	Nil	**Nil**	Nil
200,001	-	300,000	**Nil**	Nil	**Nil**	Nil
Above	-	300,000	**7**	**7**	**7**	**7**

Emolument

	Group 2022	Group 2021	Company 2022	Company 2021
Number of Directors who have waived their rights to receive emoluments	**Nil**	Nil	**Nil**	Nil

39b. Employees remunerated at higher rates
The number of employees in respect of emoluments within the following ranges were:

N		N	Group 2022	Group 2021	Company 2022	Company 2021
200,001	-	300,000	**7**	7	**6**	6
300,001	-	400,000	**7**	30	**5**	26
400,001		500,000	**4**	29	**4**	29
500,001	-	600,000	**2**	14	**2**	14
600,001	-	700,000	**2**	2	**2**	2
700,001	-	800,000	**8**	11	**4**	11
800,001	-	900,000	**15**	15	**13**	13
900,001	-	1,000,000	**5**	7	**5**	5
1,000,001	and above		**149**	63	**110**	46
			199	178	**151**	152

40a. Capital commitments
There were no capital commitments as at 30 September 2022.

40b. Contingent liabilities
There were no contigent liabilities against the Group as at 30 September 2022.

41. Comparative figures -
Where necessary, comparative figures have been adjusted to conform with changes in presentation of the current year in accordance with the International Accounting Standards (IAS 1).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

42. Segment Information

An operating segment is a component of the Group engaged in business activities from which it can earn revenues whose operating results are reviewed regularly by the Group's Executive Management in order to make decisions about resources to be allocated to segments and assessing segments performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group's Executive Management.

The Group is organized into two operating segments, these segments and their respective operations are as follows:

General & Micro Life Insurance Business & HMO: This segment provides cover for indemnifying customers' properties,and compensation for other parties that have suffered damage as a result of customers' accidents. Major sources of revenue in this segment are mainly from insurance premium, investment income, commission received,net fair value gains on financial assets at fair value through profit or loss.

CHI Capital Ltd: This is a subsidiary of Consolidated Hallmark Insurance Plc. The company is registered by CAC to offer consumer leasing and support services to Consolidated Hallmark Insurance Plc (the parent company). In addition, it owns Grand Treasurers Ltd. In 2019, CHI Capital Ltd transferred 100% of its interest in Grand Treasurers Ltd to Consolidated Hallmark Insurance Plc. Grand Treasurers Ltd is registered by CBN to offer wide range financial services and products domestically to suit customer's long- and short-term financial needs. These products include L.P.O financing, Consumer Lease, Working Capital financing, Auto lease, Project financing and intermediation and Financial Management Consultancy Services. Revenue from this segment is derived primarily from interest income, fee income, investment income and net fair value gains on financial assets at fair value through profit and loss.

Segment information by company and subsidiaries:

	General Insurance, HMO & Life N	Finance and support services N	Elimination N	Total N
At September 2022				
Operating income	**2,469,737,152**	**617,245,498**	**(96,253,449)**	**2,990,729,201**
Operating expenses	**(1,864,941,739)**	**(238,421,122)**	**35,115,449**	**(2,068,247,412)**
Operating profit	**604,795,413**	**378,824,375**	**(61,138,000)**	**922,481,789**
Taxation	**(185,345,734)**	**(69,131,593)**	**-**	**(254,477,327)**
Profit for the period	**419,449,679**	**309,692,782**	**(61,138,000)**	**668,004,462**
Total assets	**18,180,361,616**	**3,246,004,357**	**(1,966,214,509)**	**19,460,151,464**
Total liabilities	**8,708,261,125**	**1,660,317,721**	**(371,989,509)**	**9,996,589,337**
Share capital and reserves	**9,472,100,491**	**1,585,686,634**	**(1,594,225,000)**	**9,463,562,126**
Depreciation	**87,492,773**	**27,101,974**	**-**	**114,594,747**
ROCE	**6%**	**24%**	**-**	**10%**
At 31 March 2021				
Operating income	1,616,283,657	229,553,959	-	1,845,837,617
Operating expenses	(1,129,124,913)	(111,589,724)	-	(1,240,714,637)
Operating profit	487,158,744	117,964,235	-	605,122,980
Taxation	(131,172,538)	(37,469,965)	-	(168,642,503)
Profit for the period	355,986,206	80,494,270	-	436,480,477
Total assets	16,543,689,098	1,676,722,757	(1,880,495,900)	16,339,915,954
Total liabilities	7,401,055,282	467,053,001	(286,270,900)	7,581,837,383
Share capital and reserves	9,142,633,816	1,209,669,757	(1,594,225,000)	8,758,078,573
Depreciation	55,597,140	11,758,839	-	67,355,980
ROCE	5%	10%	0%	7%

43. Contraventions
The Group do not contravened rules or regulation during the period of reporting.

44. Reinsurance treaty
The Company has a reinsurance agreement with African Reinsurance Corporation, Continental Reinsurance Plc and WAICA Reinsurance Corporation Plc to reinsure the risks associated with fire and consequential loss, General accident, Marine cargo, motor, aviation and special risks etc. according to agreed quota share, surplus treaty or excess of loss treaty. This agreement was last modified 31 December 2021.

45. Related party transactions
There are no significant business dealings with its related parties during the period under review. All transactions were at arms length.

Parent:
The Group is controlled by Consolidated Hallmark Insurance Plc. which is the parent company, whose shares are widely held. Consolidated Hallmark Insurance Plc, is a General Business Insurance Company licensed by the National Insurance Commission.

Subsidiaries:
Consolidated Hallmark Insurance Plc holds 99.99% interest in CHI Capital Limited, 100% in Micro Insurance Limited and 100% in HMO Service Limited. Transactions between Consolidated Hallmark Insurance Plc and all the subsidiaries are eliminated on consolidation and already disclosed in Note 10.2

Key management personnel:
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group or Company, directly or indirectly, including any director (whether executive or otherwise). It includes close members of their families who may be expected to influence or be influenced by that individual in their dealings with the Group.

The significant related party transaction in the course of the reporting year with the subsidiaries are as stated below;

		2022	2021
	Entity	**30 SEPTEMBER**	**30 SEPTEMBEF**
Due from Grand Treasurers Limited	Consolidated Hallmark Insurance PLC	166,916,799	121,013,028
Due from Hallmark Health Services Limited	Consolidated Hallmark Insurance PLC	103,984,044	17,250,000
Due from Hallmark Health Services Limited	Grand Treasurers Limited	-	7,601,857
Medical Expenses paid to Hallmark Health Services Limit	Consolidated Hallmark Insurance PLC	35,115,449	13,276,026
Due from Microinsurance Limited	Consolidated Hallmark Insurance PLC	36,961,403	49,413,172
Due from CHI Capital Limited	Consolidated Hallmark Insurance PLC	-	26,007,142

	Group		Company	
	30 SEPTEMBER 2022	**31 December** 2021	**30 SEPTEMBER 2022**	**31 December** 2021
	N	**N**	**N**	**N**
46. Compensation of key management personnel:				
Salaries and other benefits of key management personnel	**49,074,864**	49,074,864	**39,408,000**	39,408,000

47. Events after the reporting period:
No event or transaction has occurred since the reporting date, which would have had a material effect on the financial statements as at that date or which needs to be mentioned in the financial statement in the interests of fair presentation of the Group's financial position as at the reporting date or its result for the year then ended.

48. Capital management
The Group's objectives with respect to capital management are to maintain a capital base that adequately meets regulatory requirements and to utilize capital allocations efficiently and effectively. Capital levels are determined either based on internal assessment or regulatory requirements.

The Nigerian Insurance Act 2003 stipulates the minimum capital requirement for a non life insurance company as an amount not less than 15% of the gross premium income less reinsurance premiums paid out during the year under review or the minimum paid up capital whichever is greater. The Act defines what constitutes admissible assets liabilities. The regulators generally expect companies to comply with capital adequacy requirements and the Company has consistently exceeded this minimum over the years. The regulator has the authority to request more extensive reporting and can place restrictions on the Company's operations if the Company falls below this requirement as deemed neccesary.

All of the Groups capital is Tier 1 (core capital) which consists of share capital and reserves created by appropriation of retained earnings. The following sources of funds are available to the group to meet its capital growth requirements:
1. Profits from operations: The group had regularly appropriated from its profit to grow its capital.
2. Issue of shares: The Group can successfully access the capital market to raise the desired funds for its operations and needs.
3. Loans (long term/short term): this remains a source of capital even though the group had never had cause to access this source for funding its operations.

Compliance with statutory solvency margin requirement:
The company at the end of financial period ended 30 September 2022, maintained admisible assets of N16,700,458,215 which exceeded the total admissible liabilities of N8,090,716,105. The solvency margin was computed in line with the requirements of Section 24 of the insurance Act 2003, latest NAICOM guidelines. This showed a solvency margin of N8,609,742,110.49. The minimum requirement for General Insurance Business is N3billion. Thus, the solvency margin above satisfies the requirement of the Regulator.

SOLVENCY MARGIN COMPUTATION AS AT SEPTEMBER 30, 2022

CONSOLIDATED HALLMARK INSURANCE LIMITED

	TOTAL	INADMISSIBLE ASSETS	ADMISSIBLE ASSETS
ASSETS			
Cash and Cash Equivalents	3,318,582,000	-	3,318,582,000
Financial Assets	3,987,529,540	-	3,987,529,540
Deferred Acquisition Cost	462,569,505	-	462,569,505
Other receivables and prepayments	582,928,420	520,089,273	62,839,147
Reinsurance asset	3,944,500,895	-	3,944,500,895
Trade Receivable	775,710,578	-	775,710,578
Deposit for Shares	-	-	-
Intangible Assets	23,935,859	-	23,935,859
Investment in Subsidiaries	1,594,225,000	-	1,594,225,000
Investment Properties	1,190,376,470	-	1,190,376,470
Property & Equipment - Land & Building	825,921,384	-	825,921,384
Property & Equipment	214,267,838	-	214,267,838
Statutory Deposit	300,000,000	-	300,000,000
Total Assets	17,220,547,488	520,089,273	16,700,458,215
LIABILITIES			
Insurance Contract Liabilities	7,133,655,628	-	7,133,655,628
Trade payables	246,516,477	-	246,516,477
Provision and Other payables	258,111,728	-	258,111,728
Current Income Tax Liabilities	451,552,768	-	451,552,768
Deffered Tax Liability	247,979,804	247,979,804	-
Retirement Benefit Obligation	879,504	-	879,504
TOTAL LIABILITIES	8,338,695,909	247,979,804	8,090,716,105
			8,609,742,110
SOLVENCY MARGIN (ADMISSIBLE ASSETS MINUS ADMISSIBLE LIABILITIES)			-
Subject to higher of:			
15% OF NET PREMIUM: 15% X ₦4,809,049,208.46	721,357,381		
OR	or		
Minimum paid-up capital	3,000,000,000.00		
EXCESS SOLVENCY MARGIN			

CONSOLIDATED HALLMARK INSURANCE PLC

APPENDIX 1

REVENUE ACCOUNT

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	Motor N	Fire N	Bond N	Gen. Accident N	Marine N	Aviation N	Oil & Gas N	Engineering N	Total N	Total N
Income										
Direct premium	1,994,168,005	1,362,852,959	330,554,005	1,383,595,946	618,954,252	864,940,927	1,750,683,918	612,487,039	8,918,237,052	7,927,287,576
Inward reinsurance premium	31,341,062	13,623,166	-	14,401,414	5,814,953	-	214,385,094	3,794,446	283,360,136	47,969,830
										-
Gross written premium	2,025,509,067	1,376,476,125	330,554,005	1,397,997,360	624,769,205	864,940,927	1,965,069,012	616,281,485	9,201,597,187	7,975,257,406
(Increase)/decrease in unexpired premium reserve	(71,200,147)	(290,513,533)	(108,043,424)	(42,687,946)	(81,295,871)	2,989,976	13,365,851	(41,340,133)	(618,725,227)	(393,329,971)
Gross premium earned	1,954,308,919	1,085,962,592	222,510,582	1,355,309,414	543,473,334	867,930,903	1,978,434,863	574,941,352	8,582,871,960	7,581,927,434
Deduct:										
Outward reinsurance premiums	(23,595,799)	(700,163,813)	(134,950,204)	(612,295,802)	(397,555,548)	(500,177,281)	(1,151,983,119)	(245,412,734)	(3,766,134,300)	(3,561,664,087)
(Increase)/decrease in prepaid reinsurance	-	-	-	(7,688,452)	-	-	-	-	(7,688,452)	212,724,500
Reinsurance cost	(23,595,798)	(700,163,813)	(134,950,204)	(619,984,254)	(397,555,548)	(500,177,281)	(1,151,983,119)	(245,412,734)	(3,773,822,752)	(3,348,939,587)
Net premium earned	1,930,713,121	385,798,779	87,560,378	735,325,160	145,917,786	367,753,622	826,451,745	329,528,617	4,809,049,208	4,232,987,848
Commission received	28,924,906	165,356,375	50,545,361	167,944,426	110,877,549	-	802,558	83,317,463	607,768,639	475,005,564
(Increase)/decrease in unearned commission	-	-	-	-	-	-	-	-	-	(32,500,600)
Total Income	1,959,638,027	551,155,155	138,105,739	903,269,586	256,795,334	367,753,622	827,254,303	412,846,081	5,416,817,847	4,675,492,812
										-
Gross Claims Paid	(784,000,439)	(153,591,263)	(8,835,635)	(1,585,934,574)	(220,166,027)	(75,218,031)	(33,526,289)	(67,010,652)	(2,928,282,909)	(2,440,453,935)
(Increase)/decrease in outstanding claims provision	(90,671,227)	(1,120,126,303)	(25,670,434)	(248,504,298)	284,066,064	(35,164,750)	27,924,309	(7,238,951)	(1,215,385,590)	(47,341,240)
Gross claims incurred	(874,671,666)	(1,273,717,566)	(34,506,069)	(1,834,438,872)	63,900,038	(110,382,780)	(5,601,980)	(74,249,603)	(4,143,668,499)	(2,487,795,175)
Reinsurance claims recovery	81,413,038	955,788,768	-	430,657,181	87,915,701	-	130,825,899	46,420,227	1,733,020,815	980,163,491
(Increase)/decrease in reinsurance recoveries	(69,187,191)	712,102,309	(2,861,173)	589,165,721	(368,737,663)	(119,500,991)	(95,351,766)	16,101,527	661,730,773	104,534,418
										-
Net claims incurred	(862,445,819)	394,173,510	(37,367,242)	(814,615,970)	(216,921,923)	(229,883,771)	29,872,153	(11,727,849)	(1,748,916,911)	(1,403,097,266)
Acquisition expenses	(230,532,801)	(268,013,057)	(61,509,713)	(265,009,679)	(117,481,993)	(117,606,582)	(263,769,440)	(120,817,367)	(1,444,740,630)	(1,285,736,931)
(Increase)/decrease in commission expenses	6,382,373	55,882,180	20,566,834	(7,937,852)	15,117,454	(301,766)	(4,663,062)	(7,773,063)	77,273,098	(4,285,060)
Maintenance/operating expenses	(210,044,667)	(34,811,843)	(6,971,622)	(67,283,644)	(15,634,199)	(169,270,693)	(71,234,417)	(27,289,227)	(602,540,312)	(546,023,516)
										-
Total expenses	(1,296,640,914)	147,230,790	(85,281,742)	(1,154,847,144)	(334,920,661)	(517,062,812)	(309,794,765)	(167,607,506)	(3,718,924,756)	(3,239,142,773)
										-
Underwriting profit/(loss)	662,997,113	698,385,945	52,823,997	(251,577,559)	(78,125,326)	(149,309,191)	517,459,537	245,238,574	1,697,893,091	1,436,350,040